# FINANCIALTIMES **EUROPE'S BUSINESS NEWSPAPER**

Straightforward ways ezra Gandhi respect, Page 6

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Friday October 11 1985

D 8523 B

# Bonn arrests

World news

# 'another spy'

west German authorities arrested a salesman who had held office in the right-wing National Democratic Party on charges of spying on the party for East Germany.

The federal prosecutor's office in Karlsruhe said the man, who was not named, was apparently recruited by the East Germans in the late 1970s.

His arrest comes more than two months after a major spy scandal developed, with the disappearance of a senior secretary in the Economic Ministry and the defection later to East Germany of Bonn's top counter intelligence desk officer.

#### Rebels kill 42

Left-wing guerrillas in El Salvador killed at least 42 soldiers and wounded 68 in an attack on the country's main military training base in La Union province.

#### israelis found dead

Spanish police believe they have found the bodies in Barcelona of two missing Israeli seamen whose deaths are blamed by Israel on Palestinian guerrillas.

### Police chief guilty

A West German high court in Hamburg found a former Hamburg police chief, Juergen Schenck, guilty of complicity in the mass nurder of DOLLAR was firmer in London, risat least 1,000 Jews in Nazi-occupied ing to DM 2,658 (DM 2,6455), Ffr Poland, but did not jail him. The 8,10 (Ffr 8,965), SwFr 2,185 (SwFr court said he "did not include in 2,1745) and Y215.4 (Y214.7). On

### Chile crackdown

Chilean police arrested 334 people in at least five cities during a series against the jailing of 10 labour and political activists. Page 5

## Panama protest

More than 50,000 Pana marched through Panama City to demand an independent investiga-tion into the murder of former deputy health minister Hugo Spadafowas killed on orders from the settlement was 329.1.

## Argentine jail riot

About 600 prisoners in a Buenos Aires jail held 21 guards hostage in a riot over alleged mistreatment of

# Bermuda election

Bermuda Premier John Swan called an election for October 29. This follows a split in the opposition Progressive Labour Party. Page 5

## Sri Lanka call-up

Sri Lanka introduced compulsory military service for the first time to strengthen its armed forces in the fight against Tamil separatist guer-rillas. At the same time the rebels agreed to renew a ceasefire with the security forces which could pave the way for more peace talks.

## Reagan raps media

President Ronald Reagan blamed the music industry and the media for providing children with glorifications of drugs, violence and perversity, and said that pornographers have more rights than

Orson Welles dead Actor-director Orson Welles has died of natural causes at the age of 70 at his Los Angeles home.

### Policemen held

Eleven Italian policemen were arrested in various parts of the country in connection with the death in custody of a suspected Mafia

## Cologne zoo attack

Two chimpanzees were shot dead at Cologne zoo after they attacked and badly injured the director.

Business summary

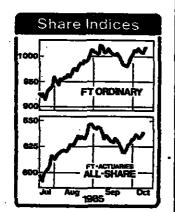
# **Intel dives** to \$3.6m loss in quarter

INTEL, U.S. semiconductor manufacturer, plunged to a \$3.6m loss in the third quarter, compared with a profit of \$70m a year earlier, and said its fourth-quarter deficit would

WALL STREET: The Dow Jones industrial average closed up 1.35 at 1,328.07. Page 42

FRANKFURT shares fell again amid continued profit-taking. Commerzbank index declined 38.1 to 1,558.4. Page 42

LONDON: Institutional demand brought life back to equities. The FT Ordinary index closed 10.8 up at 1,017.8 and the FTSE 100 was 6.00 higher at 1314.1. Page 42



Bank of England figures the dol-lar's index rose to 131.1 from 130.8.

STERLING lost 45 points against the dollar in London to finish at \$1,411. It was firmer, however, at DM 3.75 (DM 3.745), FFr 11.43 (FFr 11.415) and SwFr 3.0825 (SwFr and was unchanged at Y304.0. The pound's exchange rate index fell 0.1 to 80.0. Page 35

GOLD fell \$9.50 on the London bullion market to \$326.00 and was lower in Zurich at \$325.95. Page 34 ra whose family charges that he In New York the Comex December

> THE GENERAL Agreement on Tariffs and Trade (Gatt) is to set up a working group to examine Nicaragua's complaint about the ban the U.S. imposed on trade between the two countries in May.

> SPRECHER & SCHUH, Swissbased electrical engineering group is selling around 60 per cent of its business to Alsthom, making the French group one of the world's leaders in power transmission.

FINSIDER, Italian state steel maker which suffered huge losses in recent years, is now viable but plans further cuts in capacity because of

the discouraging outlook for the industry. Page 21 GREGGORY, Fench industrial group which recently came to the unlisted stock market, gave the USM its first major setback by offering to buy back investors' shares because of disappointing earnings.

WILLY KORF, West German entre preneur whose Korfstahl group collapsed two years ago, is involved in a new steel mill venture in the U.S. costing \$50m and due to start opera tions at the end of next year.

SIGVAL BERGESEN, Norwegian shipping group, said profits slid NKr 9.1m to NKr 221.9m (\$28m) in the first eight months and were expected to fall further with the end

of a number of profitable long-term charters. Page 21 BOFORS, Swedish armaments

manufacturer, is laying off 600 workers and is seeking government aid to counteract its weakening orders situation. Page 21 ALCAN, Canadian aluminium

group, expects to make more asset disposals to match its capacity to limited world demand for the metal.

# O'Neill attacks Senate's balanced-budget 'gimmick'

plan passed by the Senate on Wednesday night as "a political gimmick" designed to save the seats of

Washington.
Mr O'Neill predicted, however, that some kind of scheme to eliminate to the scheme to th

ance the budget in conference nego-tistions with the Republican-led Se-With the Government nate. The Senate was expected to against the ceiling of its congressend its plan to the House later yes-sionally authorised borrowing limit, terday, in the form of an amend-the Treasury would otherwise have

has now raged for almost a week on Capitol Hill. Senator Robert Dole, mick designed to save the seats of the Republican majority leader, bit-the 22 Republican Senators facing terly attacked the Treasury for re-election next year, writes frustrating his efforts to force the Regimald Dale, U.S. Editor, in House in to rapid action on the bud-

get plan. The Treasury had "no guts," he said. Mr Dole's ire was provoked by nate the budget deficit would pass the Treasury's unprecedented deci-congress this year. the Treasury's unprecedented deci-sion on Wednesday to use the bor-Congress this year.

Mr O'Neill confirmed that the rowing authority of the obscure Democrat-controlled House would put forward its own scheme to bel-

With the Government right up

MR TIP O'NEILL, the Democratic tional debt limit from \$1,800hn to hoped that the financial crisis speaker of the House of Representatives, yesterday angrily detactives, yesterday angrily detactives, however, continued to action on the Republican budget nounced the new budget-balancing run high in the financial battle that plan, linked as it is to the Bill raising the debt ceiling.

The Treasury's decision to use the FFB's borrowing authority, ever, be sufficient to keep the Government in funds until the end of the month, according to Democratic House leaders. The move gave the House plenty of time to "kill" the Republican budget plan, Mr Dole

said yesterday.

Nevertheless, Senate Republicans, including Mr Dole, also said that it would be hard for the House to sweep the plan under the carpet, particularly as it was passed, by 75 votes to 24, with overwhelming bipartisan support in the Senate. Twenty-seven Democrats, including the liberal Mr Edward Kennedy of

Massachusetts, joined the Republi-cans in supporting the measure. The plan, the brainchild of Republican Senator Phil Gramm of Texas, would eliminate the deficit by the 1990-1991 financial year after a series of legally imposed annual

ductions in the deficit. Starting with a deficit of \$180bn in the current 1986 budget year, five annual cuts of about \$36bn each should reduce the deficit to zero by 1991, according to the plan's spon-sors, who also include Republican Senator Warren Rudman of New Hampshire and Democratic Senator Ernest Hollings of South

While the plan was enthusiastically hailed as "historic" by President Ronald Reagan at the end of last week, and still has White House support, some Administra-tion officials are concerned over cept Mr Reagan.

FORD of the U.S. is buying the New

Holland farm machinery company from Sperry, the U.S. computer and

capital goods maker, for \$330m in cash.

commitment to farm machinery

has often been questioned, the sec-ond largest producer in the world after John Deere of the U.S. Ford

said yesterday the combined group

would have turnover of more than

The deal is the latest in a series

of major restructuring moves in the

world's overcrowded farm equip-

ment industry. Last December,

Tenneco, the U.S. energy and engineering conglomerate, acquired the

farm equipment business of Inter-national Harvester and combined it

Both Ford and New Holland are

already major world suppliers of

farm machinery, with Ford special-

ised in tractors and New Holland in

Mr Donald Peterson, chairman of

sistent with the group's efforts to

improve its worldwide tractor and

farm equipment business and ref-lected the trend in the farm equip-

ment industry towards stronger, full-line manufacturers. The acqui-

compete vigorously in all segments

sition of New Holland will help us

He said that the product lines and

dealer organisations of the two

businesses "fit together extremely

well." No immediate changes were

Ford, said the acquisition was con-

with its J. I. Case subsidiary.

machines.

of the industry."

whether the \$144bn deficit target for fiscal 1987 can be achieved without severe new cuts in defence spending.

Mr O'Neill yesterday charged that the plan had been rushed through the Senate without proper consideration by congressional committees or any analysis of its effect on the economy. He and other Democrats have said that the measure is mainly intended to postpone real action on the deficit until after the mid-term elections in November 1986, while making it appear that the Republicans are committed to taking action.

As for Mr Gramm, Mr O'Neill said this week that the Texas Senator, a former Democrat, was more responsible for "the mess the nation is in" than any other individual ex-

**WORLD MARKET LEADERS 1984** 

% 17

TRACTORS † 620,000 units sold

**COMBINE HARVESTERS** 

Mazsey-Ferguson Class (West Germany) Deutz-Allis Chalmers (W. Ger)

exiudes Comecon countries. for models 40 horsepower and above. Source: Massey-Ferguson

we will look for ways to improve

Mr Peterson said that Ford would

také on Si jum in New Holland La-

bilities in addition to the cash pay-

result in a \$200m after-tax charge

has been among the most de-

pressed sectors of the farm machin-

ery industry. Sales in North Ameri-

ca, for example, have tumbled from

40,555 units in 1979 to only 15,000

last year and are estimated to

Sales in Europe have fallen by

about a third over the same period.

However, New Holland has re-

mained profitable, with operating

Background, Page 21

Continued on Page 20

plunge to 10,000 units this year.

The combine harvester market

45,660 units sold

Deere New Holland (U.S.)

both organisations.

against earnings.

Fiat (Staly) Case intern

Ford (U.S.)

Deere (U.S.)

BY PAUL TAYLOR IN NEW YORK AND IAN RODGER IN LONDON

# PLO talks in Britain go ahead despite hijacking

THE FIRST contacts at a senior political level between the British Government and representatives of the Palestine Liberation Organisation will take place on Monday despite the PLO's alleged involvement in the hijacking of the Italian cruise liner Achille Lauro.

Israeli claims yesterday that their intelligence services had "irrefutable proof" that Mr Yasser Ara-fat, the PLO chairman, knew of the terrorist operation aboard the cruise ship have not changed any minds in London about the wisdem of going ahead with the meeting be-tween Sir Geoffrey Howe, Britain's Foreign Secretary, and two PLO

The meeting is viewed by the Palestinians as a major breakthrough towards international recognition of the PLO as the representative of the Palestinian people. But it has aroused outrage in Israe! which consistently maintains that the PLO remains a terrorist organisa-

Sir Geoffrey yesterday rejected Israeli charges that Britain was encouraging terrorism. "The representatives coming to Britain as part of a Jordanian-Palestinian delegation are men who have themselves repudiated violence and terrorism," he said in a radio interview.

The two delegates, Mr Mo-hammed Milhem, a former mayor of Halboul on the occupied West Bank, and Bishop Elias Khoury of Jerusalem, were both deported by Israel for alleged incitement.

On Wednesday, the PLO's London office said that it had received a letter from the Jewish Defence League led by the fanatical anti-Arab Rabbi Meir Kahane, an American-born Israeli, threatening the lives of Bishop Khouri and Mr

The whereshouts and the precise affiliation of the four hijackers of the Achille Laurt both remained uncertain last night after a day of contradictory statements cut Tunis and Cairo. There was visible irritation in the U.S. with Egyptian handling of the affair since the hiiack ended on Wednesday after-

The first revelation that the hijackers had left Egypt was given by President Hosni Mubarak at an impromptu news conference. He indicated the hijackers had been placed under the control of Mr Arafat.

PLO leaders are saying, however, they have not received the hijack-

Continued on Page 23 Quandary for PLO strategists,

# Banks plan Washington talks on U.S. debt initiative

BY PETER MONTAGNON IN SEOUL

man of the Institute for Internation- tries themselves. al Finance, has invited about 60 ex-ecutives from the world's largest banks to a meeting in Washington

The meeting is also likely to be-gin to address the thorny subject of how government agencies responsi-

founded by 169 international banks after the cuset of the debt crisis in 1982, is now emerging as a key forum for discussing ways of reviving the one-day meeting in Washington lending to debt-ridden countries in will therefore result in a public loping world.

he called on the world's commercial

The Washington meeting is re- help with new loans on a case-bywards establishing such a commit-The 60 banks invited to attend flowing.

more than half the debt affected. its mind as events unfolded at the strands.

International Monetary Fund's anmual meeting in Secul.

they will require in terms of eco-

MR ANDRE DE LATTRE, chair- nomic performance from the coun-

on October 28 to discuss the new ble for supervising the banking sys-U.S. initiative on easing the debt tem will respond. In many countries these authorities have been institute, a think tank pressing commercial banks to step up loss provisions against their exposure to developing countries.

There seems little likelihood that commitment by the banks to raise When Mr James Baker, U.S. the money Instead they may sim-Treasury Secretary, launched his ply set up a small task force to redebt initiative in Seoul on Tuesday port on all the issues in more detail. Indeed some bankers here doubt banks to make a public commit- that a commitment will ever be ment that they would lend \$200n to forthcoming in the way that Mr general expression of willingness to

garded in Seoul as the first step to- case basis those countries which have made economic progre ment. Members of the institute hold
85 per cent of the total debt of countries eligible to benefit under the ing community into working out ways in which they can keep funds

the meeting hold substantially Even those banks, particularly in continental Europe, which are re-One notable absentee, however, luctant to put up more money just is Deutsche Bank of West Ger- to create what they regard as a premany. It has persistently refused to tence that existing loans are being join the institute and has come unserviced, admit that the Baker inder increasing pressure to change itiative does contain some positive

Foremost among these is the psy chological impact of Mr Baker's Bankers expect the Washington move. It has swept away the deep meeting to include a wide range of pessimism that prevailed earlier issues focusing on new ways of raisand replaced it with a more coning money for the debtor countries structive if still cautious attitude as well as the kind of conditions among debtors and lenders alike.

IMF meeting, Page 5

## SCM plans Ford buys Sperry 'safety net' farm equipment if rival unit for \$330m bids fail

By Terry Dodsworth and William Hall in New York

SCM, the New York conglomerate which is under attack by Hanson Trust, the UK industrial holding company, yesterday took steps to put in place a share repurchase \$600m "safety net" to protect its shareholders in the event that the rival bids for the company fail.

In a further twist to the convolutd, two-month-old takeover battle, SCM's board authorised a \$74-pershare tender offer for up to 82m shares, or two-thirds of the company's common stock. The offer only takes effect, however, if the two bids from Hanson Trust and Merrill Lynch, which is backing a SCM management buyout, fall through.

SCM says it will exchange each share of SCM common stock for \$10 in cash and \$84 of a new series of SCM preferred stock carrying a 14.5 per cent annual dividend. Mr Paul Elicker, SCM's chair-

man, said yesterday that the action was necessitated by the continuing efforts of Hanson to frustrate the and Merrill which was entered into for the benefit of SMCs sharehol-SCM's latest move comes at a time when both Hanson and Merrill have adopted intransigent posi-

tions. Merrill, which has been given the right to acquire SCM's two most valuable subsidiaries at advantageous prices if a rival bidder appeared on the scene, is stressing its intention to excercise its rights. Meanwhile, Hanson, which this

week increased its offer for SCM to \$75 a share, just topping Merrill's offer, has said that it will only go shead with its bid if SCM drops its planned, but "over time, of course, controversial "lock-up" arrange ment with Merrill.

Yesterday Hanson won a round in its legal fight with Merrill when the latter's lawyers agreed not to excercise the "lock-up" option until

Continued on Page 20

# Montreal-based Mercantile

BY BERNARD SIMON IN TORONTO

prompted the Montreal-based Mer-cantile Bank to agree to a special or to give further details, but said audit of its operations. audit of its operations.

The Bank, in which Citibank of

sis which began with the collapse of two small Alberta-based banks last month, the Canadian Government and senior bankers have informally agreed to avoid making any public comment about current problems confronting the banking industry. A judicial commission of inquiry

for audits of all Canadian banks to alleviate public concern. The share price of the country's seventh largest bank. Continental, has dropped to a three-year low as concern spreads about the ripple effects of the problems in Alberta on other institutions

According to one major bank, many local authorities have switched deposits in the last few

C\$4.4bn (U.S.\$3.2bn) at the end of July, depends almost entirely on some senior bankers have called The big banks are reported to have provided Mercantile with about CS300m in liquidity over the past two weeks. The Federal Government has assured the banks that it will compensate them for any

# Bank agrees to special audit

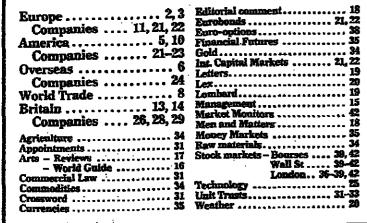
EFFORTS TO restore public confi-dence in Canada's small banks have cantile Bank official declined to dis-above the industry average.

New York has a 24.2 per cent interest, said the audit stemmed from the funding support which it has received in recent weeks from other banks, understood to include all six of Canada's largest banking groups. In a further effort to cool the cri-

is investigating the failure of the two institutions, the first bank failMercantile, with assets

There is widespread speculation that Mercantile Bank will eventual ly be merged with one of the larger banks. Its future is complicated by provisions in the Bank Act limiting weeks from smaller banks to the any one shareholder's interest in a six largest institutions. Some muni-domestic bank to 10 per cent. Citicipalities were heavily exposed to bank has agreed to reduce its interthe two Alberta banks, which were est to that level by the early 1990s.

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# Are you registered? Office Register Autumn 1985 Industrial, commercial and professional organisations throughout the United Kingdom and overseas find the Hillier Parker Office Register invaluable when making their assessments of the office market . 1.1

# **Stagnation forecast** for Sweden after three years' growth

BY KEVIN DONE, NORDIC CORRESPONDENT IN STOCKHOLM

market shares.

dampen consumption.

ECONOMIC ACTIVITY in appointed Wages Minister with Sweden is expected virtually to responsibility for overseeing stagnate next year, according to pay in the public sector, warned the autumn forecast of the yesterday that increases must National Institute of Economic be brought down if employment Research. After three years of is not to be jeopardised. strong growth, the gross national product is likely to show an increase of less than half a per event following a rise of 2.5 per cent this year, and a jump of 3.3 per cent in 1984.

of 2.5 per cent this year, and a jump of 3.3 per cent in 1984.

The weaker growth is expected to be accompanied by rising unemployment, with domestic demand stagnating and industrial investment falling. industrial investment falling. Swedish export industries, with after a big increase this year. a resulting loss of international

The report is more optimis-tic, however, about the country's prospects for reducing inflation next year and it also predicts an improvement in the country's external payments position. following the alarming deterioration in the current account during 1985.

It warns, however, that Sweden still faces major problems in controlling labour costs. Persistently high nominal wage rises have served over

With relatively low nominal wage rises, the Institute believes inflation can be cut ao an average of 5.1 per cent next year, compared to 7.4 per cent this year. Open unemployment (excluding those on job-creation programmes) would rise from 2.9 per cent to some 3.2 per cent.

At the same time, virtually unchanged domestic demand would mean a deficit of only

wage rises have served over several years to undermine the country's international competi-tiveness, and the Government is a deficit of SKr 11.5bn this year. country's international competiclearly extremely nervous about in the coming national wage

The Institute's report is based on an assumption that wages will rise by only 6 per cent next year which must be seen as excessively optimistic, given that there is already a carry-over from 1985 of some 6-7 per cent in the public sector even nder way.

Mr Bengt Johansson, newly the earliest. before the 1986 wage round gets

# **Another spy** charge in W. Germany

By Peter Bruce in Bonn

THE WEST GERMAN auth-THE WEST GERMAN authorities have arrested a 34-year-old salesman on charges of spying for East Germany. The federal prosecutor's office in Karlsruhe said the uni-dentified man had been spying on the extreme right-wing National Democratic Party (NPD).

He is said to have held

He is said to have need office in the NPD and to have been recruited by the East Germans in the late seventies. He is alleged to have met East German agents eight times since then, in various east block countries, and re-According to the National Institute, higher wage rises would only exacerbate the existing structural imbalances in ceived DM500 (£135) a time for his reports on right-wing movements in West Germany. The man's arrest comes less than three months after a

than three months after a major spy scandal developed here, starting with a senior secretary in the economics Ministry who vanished and culminating in the defection to East Germany of Boun's top counter-intelligence desk officer and a secretary in Chancellor Helmut Kohl's With relatively low nominal

The political consequences of the summer spy scandal have yet to be finally settled. The opposition Social Democrats (SPD) are still making serious efforts to unseat the Interior Minister, Herr Friedrich Timmermann who is At the same time, virtually unchanged domestic demand would mean a deficit of only some SKr 3.3bn (£292m) on the rich Zimmermann, who is responsible for counter-intelligence. They failed to win a vote of no confidence in him in Parliament last Growth this year has chiefly been fuelled by an unexpectedly strong rise in domestic demand. This has brought calls from many quarters, including the Swedish control.

month.

The latest arrest also appears to confirm suspicions that East German spying in West Germany stretches far beyond important government or serious political opposition targets. The nec-Nazi NPD has only a few thousand members and is not represented in the Bundes. central bank, for tough measures this autumn to In the light of the Institute's report, and fearing to upset the coming wage round, the Government is unlikely to

# Union fails to extend strikes at Renault

trial of strength yesterday as contain the conflict to avoid production remained at a stand-still at the group's Le Mans and Billancourt plants.

However, the union has failed to disrupt production at other large Renault plants. It has been trying to turn the conflict is also a serious undermine both the recovery challenge for the CCT and the programme of M Georges Besse.

Renault's new chairman, and re-establish their influence of the conflict to avoid the failure to turn the dispute to turn the dispute to turn the dispute out losses which totalled FFr into a national issue could damage their credibility considerably.

The Le Mans plant is a CGT has not confined its action to Renault, however. A plant owned by Valeo, the stronghold, but the union has friend to disrupt on the conflict is also a serious undermine both the recovery challenge for the CGT and the programme of M Georges Besse.

Renault's new chairman, and re-establish their influence of the dispute. The damage their credibility considers their credibility constitutes a national issue could damage their credibility constitutes.

The Le Mans plant is a CGT has not confined its action to Renault, however. A plant owned by Valeo, the stronghold, but the union has friend to turn the dispute out to be strike into a national issue could damage their credibility considers.

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The Le Mans plant is a CGT has not confined its action to Renault, however. A plant owned by Valeo, the stronghold, but the union has friend to turn the dispute on the losses which totalled FFr the f

THE RENAULT motor company more generally the Socialist among French workers at a to provoke a major strike at a time when the communists of seeking to sabotime when the communists of seeking to sabotime when the communists of strength yesterday as the conflict to avoid the failure to turn the dispute cut losses which totalled FFr error distribution remained at a strange of the CGT and the communists of seeking to sabotime when the communists of seekin

As part of its broader cam-paign against the socialist government, the CGT has called for a day of national protest on October 24. It said yesterday it would hold a 24-hour strike that day at the French national railway company, SNCF, as well as at the state electricity and

# Mitterrand tries to pull party back together

M Michel Rocard, leader of the social democrat wing in the party, in which he gave him private assurances that he regarded him as a potential successor as the Left's candidate at the next presidential election. Up to now M Rocard, who has had a long standing feud with M Mitterrand, has considered the President's hostisidered the President's hosti-lity as one of the most serious obstacles to his own presiden-

tial ambitions The unprecedented gesture The unprecedented gesture by M Mitterrand is intended to help the Socialist party capitalise on M Rocard's immense popularity in the public opinion polls, while also trying to ensure that the party's divisions are buried sufficiently to enable it to make a strong showing next March.

M Rocard resigned from the

M Rocard resigned from the government earlier this year and had tabled in advance of the party congress his own dis-sident policy motion setting out

THE FRENCH Socialist party's blenniel congress opens in Toulouse today under strong pressure from President Francois Edivers it should adopt.

The only other policy motion before the congress is the office and one from the party to close ranks in advance of the general election in March.

M Mitterrand had an unpublicised meeting last week with Michel Rocard, leader of the social democrat wing in the party. In which Be gave him private assurances that he regarded him as a potential successor as the Left's candidate the social democrat platform he believes it should adopt.

The only other policy motion three-day congress, is thus to try to find an acceptable compromise between the two find an acceptable compromise between the two motions. M Rocard will be seen to days ago when local federations voting on the two motions of the party openly as that the party openly of the party. In which be gave him private assurances that he regarded him as a potential successor as the Left's candidate the social democrat platform he believes it should adopt.

The only other policy motion three-day congress, is thus to try to find an acceptable compromise between the two trys to find an acceptable compromise between the two motions. M Rocard will be seek as thift in strategy would be a shift in strategy would be far more bitter pill for the party leadership to swallow.

M Rocard's an unexpection wing in the party, in which be gave him private assurances that he regarded him as a potential successor as the Left's candidate the office affers.

The main business before the party should be prepared to fine Greenbeace affair.

The main business before the two fine an acceptable compromise between the two trys to find an acceptable compromise between the two trys to find an acceptable compromise between the two motions. M Rocard's meeting with M Rocard, M Mitterrand has also been pressident.

M Rocard's mitter and has also believes that the party should be prepared to join a coalition governments of the Right from power. Such as thif i

The French Prime Minister, M Laurent Fabius, visited East Berlin earlier this year

in an effort to improve rela-tions with East Germany. Earlier in the day, M Mitter-

rand placed a wreath at the Berlin Wall in the French

The President's quiet assurances to M Rocard are none the less a blow for M Laurent Fabius, the Prime Minister, who himself had hoped to be the anointed candidate. M Mitterrand is by no means excluding him—in fact he publicly called M Fabius this week "a very remarkable Prime Minister but relations between the two have cooled since the Greenpeace affair.

It is characteristic of M Mitterrand to keep several balls in the air and to play one person against the other. He has not excluded the possibility of standing for re-election himself.

M Rocard's popularity in the opinion polis and his growing standing in the party means that he will be the dominant figure at the congress. He is due to make his main speech today.

# President pays visit to W. Berlin

PRESIDENT Francois Mitter-rand visited West Berlin yesterday to reaffirm France's amitment to the city inside East Germany over which it exercises sovereignty along with Britain and the U.S., writes Leslie Colitt.

writes Leslie Colitt.
In a special gesture to his country's closest ally, West Germany, the President first stopped in Bonn to pick up Chancelfor Helmut Kohl, who accompanied him to Berlin. Although West Berlin is closely linked with West Germany politically and economically, it cannot be

ment.

Thus Herr Kohl discreetly departed from Tegel Airport before the welcome ceremony for M Mitterrand by the three allied commandants and the mayor. The Chancellor was also absent when the President reviewed units of the 2,500 French troops in the city.

governed by Bonn under the

1971 four-power Berlin agree-

in a speech at the city hall, the seat of West Berlin's government, he spoke of French determination to maintain the freedom of the

section wait in the French section where several East Germans were killed in the early 1960s trying to escape. His predecessor, M Valery Giscard d'Estaing, carefully avoided getting close to the Wall in 1979 during the only previous French state visit to West Berlin.

A presentation for American Hospital Supplies

> At their own hi-tech industrial and business parks Standard Life are building some of Britain's finest commercial

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# Frankfurt book fair gives boost to German national sentiment

BY JONATHAN CARR IN FRANKFURT

To IS hardly a work for which you would expect a rush at the shops! It has 10 volumes, 4,400 pages and costs (at the reduced subscription price) DM 1,690 but german themes have never been so pervasive.

Bertelsmann concern, believe that "Germany — Portrait of a Nation" is a book whose time has come. And the evidence at the Frankfurt book fair, which is holding its annual jamboree this week, suggests they are probably right.

Germany, especially its history and culture as well as its politics, has emerged as unofficed.

Traditionally, the West German that we war, is graduagest contingent of exhibitors, but German themes have never been so pervasive.

There are new political biographies: among others of Bismarck (by an East German indicated in the wind and the continuous concerns. And the evidence at the Frankfurt book fair, which is holding its annual jamboree this week, suggests they are probably right.

German, especially its history and culture as well as its politics, has emerged as unofficial for a contingent of exhibitors, but the wind percentage of the currency given it by Chancellor Helmut Rohl).

Recently, a West German in decades after the war, is graduagest of the currency given it by Chancellor Helmut Rohl).

Recently, a West German university, an act unthinkable and eleast of the currency given it by Chancellor Helmut Rohl).

Recently, a West German university, an act unthinkable and eleast of the currency given it by Chancellor Helmut Rohl).

There are new political biographies: among others of Bismark (by an East German historian), Adenauer and Helmut Schmidt; new editions of German classics (including two of Goethe's works, one stretching to a full 40 volumes); others in the wind—but it is a wind clearly encouraging to books giving a sense of German pational identity, and even national identity, and even national pride.

politics, has emerged as unoffi-cial star at the Frankfurt show. cial star at the Frankfurt show. That might seem natural at an event which for 37 years has always been held in the same Germany city. But Frankfurt has long prided itself on staging an international book fair—the world's biggest with 6,500 publishing houses from about 80 countries displaying 320,000 full lelevision series "Heimat."

Bertelsmann admits it is lucky. It could not have counted on so receptive a public mood when it began putting together its "Portrait of a Nation" five years ago. But in the meantime, the publishers note, much has been changing—in Germany and between the two German states.

**Bulgaria power problems** 

BULGARIA has announced measures to combat a sharp fall cent in the first seven months in electric power production since early this year which has ed to declining industrial out-

A decree has ordered ministries, regional authorities and consumers to observe allocated

the past two years.

The Government said the construction and commissioning of additional mining and power generating capacity was to be accelerated.

IT IS hardly a work for which titles this year. For example, the word you would expect a rush at the Traditionally, the West Ger- Vaterland, hardly used for

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FRANCE'S PEUGEOT motor

union representatives. Pts 4.4bn to Citroen Hispania, while refus-ing to comment on the figures. The Citroe Gitroen Hispania, while refusing to comment on the figures. confirmed it was negotiating an aid package for a plan involving investment by the company of Pta 10bm over several years and job losses. The Spaniah authorities, it said, had set as a condition that the company increase its output, which last year fell below 100,000 vehicles, to 160,000 a year.

The company is proposing to cut the 8,000-strong workforce at its Vigo factory in northwest Spain — the largest Citroen plant outside France—by 1,200 over three years, through an incentive plan.

Last month, M Jacques Calvet, the Peugeot group chairman, warned that it would consider reduced after next year's EEC entry, it envisages switching to select the company its activities in Spain warned that it would consider reduced after next year's EEC entry, it envisages switching to the field of the obtaint Spain being progressively reduced after next year's EEC entry, it envisages switching to the field of the obtained by the company and that was to the company of the citroen offshoot, which was set up in 1958 and which have been in the company in the part to hold its share—

The company is proposing to the highly protected Spanish market, the company now produces a whole range of models at the Vigo factory, including assemb

FRANCE'S PEUGEOT motor group, which has threatened to reduce its two car manufacturing operations in Spain unless the Madrid Government helps sive for the French group to pay for restructuring them, is leave Spain than to stay. He subsidies and soft loans for its Citroen factory involved a principal subsidiary, Citroen Pts 3.3bn investment subsidy. Pts 1.4 bn in soft credits and principal subsidiary, while refusally the property of the proper

warred that it would consider reducing its activities in Spainsh have expired last month has government support. The threat came after difficulties in pushing through labour cutbacks at its Talbot unit based at Villaverde outside Madrid.

Meanwhile at Talbot, a three-year viability plan that was to have expired last month has been extended while negotiations are held on a new plan, again tied to commitments on training exports.

# Portugal's workers find their low wages buy less

BY DIANA SMITH IN LISBON

(A) ()

31 to 105

· Producer

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3-1964

WHAT IN - 7. 1

The second secon

COMPANY OF THE PROPERTY OF THE

lowest paid in Europe, have suf- a result. fered a serious drop in purchasing power since 1973, according wing dictatorship was overunion confederation.

The report points out a root Socialists party which suffered carns no more than this miniheavy defeat in last Sunday's mum; many women workers are general election. Once con not even paid the national sidered the party dedicated to minimum. improving the lot of the poorer Portuguese, the Socialists took the brunt of the blame for two years of austerity and high in-

PORTUGUESE WORKERS, the badly denting buying power as Since 1974, when the rightthrown, the minimum monthly wage has risen from Es 4,000 (£17,25) to Es 19,000. Most of of discontent with the the 4m-strong labour force

Another report, by the Interworkers, further illustrates the dilemma of Portuguese wageflation that severely hurt earners. It shows that a PortuPortuguese earning less than guese metal worker must work
£100 a month or living on 33 minutes to earn the price of
monthly pensions of less than a kilo of bread, while his
£40.

The CGPT, formerly aligned work 11 minutes; and 185 hours with the Communists but now (more than a month's work) to seeking a more pragmatic and earn the reut for a flat of three independent role, reports that or four rooms. A U.S. metal-while wages have risen by 740 worker must work 261 hours to

# W. German banks try to avoid a battle of the plastic

John Davies in Frankfurt marks their cards

17,700 Germans.

they are energetic and vocal in either don't want them (per-

systems, and other aspects of electronic banking.

It also heralds the beginning of a new spirit of competition in the country's banking industry.

WEST GERMAN savings banks concept of how POS should and enable holders to use cash first batch of S-cards is now are launching a new magnetic operate, a concept not shared dispensers at various banks. Stripe plastic card to customers by some other types of bank. Nearly 30m EC cards have been being handed out to customers are launching a new magneticstripe plastic card to customers in a move viewed with some misgivings by rivals in the country's banking community. The savings bank movement sees its uniform nationwide "S-card" as a key to better electronic banking services and

as a way of raising its profile in the intensely competitive West German banking scene. Suspicious rivals have suggested however that the S. card may undermine the Euro card may undermine the Euro-cheque (EC) card, which has become widely accepted in West. Germany and other countries both as a cheque guarantee and

as a key to such services as automatic cash dispensers.

The savings banks' central urganisation—the Deutscher Sparkassen und Giroverband in

jostling with their rivals, haps because of the small cost chiefly co-operative banks, cominvolved), or are judged unmercial banks, and the Governsuitable.

West Germany's 591 savings

with their

The argument over S-cards could have important effects on the introduction of point of sale

issued in Europe, 19m to West banks in different parts of the country within the next few hranches, are owned by local Savings bank leaders argue, community authorities throughout the country. In the scramble for banking business, EC cards. The other half Leaders of the Sparkassen-verband brush aside sugges-

tions, which have worried some members within the savings may be creating a second-class card. They point out that one of the big advantages will come, possibly by the middle of next year, when the new S-cards will give a savings bank customer access to his entire account (plus any agreed credit) through a cash disat any savings bank in

West Germany.

This direct access to accounts

S-card and his savings bank account. If POS systems were based only on EC cards, they argue, half the savings bank customers could not use the This type of thinking is creating ripples of concern because some bankers have

worth of the card and the value West Berlin and Munich on a small scale, but crucial ques-tions are still far from answered and the search for a consensus among bankers, retailers and

The savings banks' central graphs and their rivals, dright sparks and the flower planement rather than replace the Scard will give an attempt to develop, a Savings bank leaders also believe the Scard will give rashless shopping once electronic point of sale (POS) states spread. With their Scards serve as a bank guarant trying to push ahead their own to DM 400 (£106) per cheque and EC cards. The servings bank organisation. The solution of sale (POS) savings banks are trying to push ahead their own to DM 400 (£106) per cheque and EC cards. The servings bank organisation. The savings banks are triving to push ahead their own to DM 400 (£106) per cheque and EC cards. The savings bank organisation. The small cost inverse in the country will be made possible through a possible through a possible through a possible through post offices.

Many savings banks have got ink-up of savings bank computer centres. So that their own individual cards to give these customers access to some bankers are judged unsuitable.

Many savings banks have got ink-up of savings bank computer centres. So that their own individual cards to give these customers access to some bankers. retailers and equipment suppliers of concern and the country will be made possible through post offices.

In an attempt to develop, a harmonised approach, the West of savings bank branch are their own individual cards to give these customers access to accounts and possible through post offices.

In an attempt to develop, a their own individual cards to give these customers access to accounts anywhere in the country w

# Piraeus halted strikes spread

By Andriana lerodiaconou in

as Greek

WORKERS IN the Greek port and commercial centre of Piracus staged a three-hour strike yesterday, as a wave of labour action continued to build up around the country against anticipated austerity measures by the Socialist Government.

Yesterday's rash of strikes included those by lawyers, whose offices have been closed for almost a month, taxi drivers, construction workers, ship-builders, bank employees and public transport workers.

The Socialists are auxious to

trim spending and boost productivity in order to tackle runaway public sector and current account deficits. Last year, the net public sector borrowing cent of gross national product and the current account deficit \$2.182bn (£1.5bn).

month that it would adopt an economic stabilisation regime by the end of the year, and appealed for the support of both workers and employers. Strikers are demanding parti-

# Moscow entertains an important if tricky Arab guest

THE LIBYAN leader, Colonel Muammer Gaddafi, started an official visit to the Soviet Union yesterday at a time when Moscow is seeking to play a more active role in the Middle East. Colonel Gaddafi is a significant Soviet ally in the Third World and an important purchaser of Soviet arms. He is also a friend whom Moscow

Nevertheless, he was received Mosque in the Soviet capital and Servative Arab regimes, Moscow accumulated a considerable announced last month that it debt with Moscow because of would exchange ambassadors heavy purchases of Soviet at Moscow's international airport yesterday by President Andrei Gromyko, Mr Eduard Shevardnadze, his successor as foreign minister, and three other politburo members, including Marshal Sergei Sokolov. the Defence Minister.

The Libyan leader sees the handles gingerly, fearing that against the U.S. though during Algeria and South Yemen in the Libya's foreign policy advenhis last visit to Moscow in 1981. Middle East has recently imtures, notably in Chad and the Libyan media emphasised
Tunisia, will lead it into that Col Gaddafi had attended Arabia and Jordan. As a sign Gaddafi and his aides. In the
entanglements with Washington. Islamic prayers in the Grand of this rapproachment with con-past four years, Libya has

opportunity of his present visit important Saudi ally in the reduced L to sign a treaty of friendship Gulf.

and co-operation with Moscow, the text of which has been under discussion.

There are also signs of the of Libyar Kremlin moving tentatively to payment. improve contacts with Israel The matter the state of the payment with the state of the payment.

The Soviet Union, tradition-Soviet Union as a strategic ally ally allied to Syria Iraq. Libya, against the U.S. though, during Algeria and South Yemen in the his last visit to Moscow in 1981, Middle East has recently im-

n the Islamic cemetery. would exchange ambassadors heavy
Col Gaddafi may also take the with the Sultanate of Oman, an military

with which it broke diplomatic links in 1967.

reduced Libyan oil exports. The Soviet Union has taken cargoes There are also signs of the of Libyan crude oil in part

> The marriage of convenience has led to miscivings on both sides. Despite this, Libya gives qualified support to the Soviet Union over Afghanistan, and the Kremlin, with reservations, has backed Libya on Chad.

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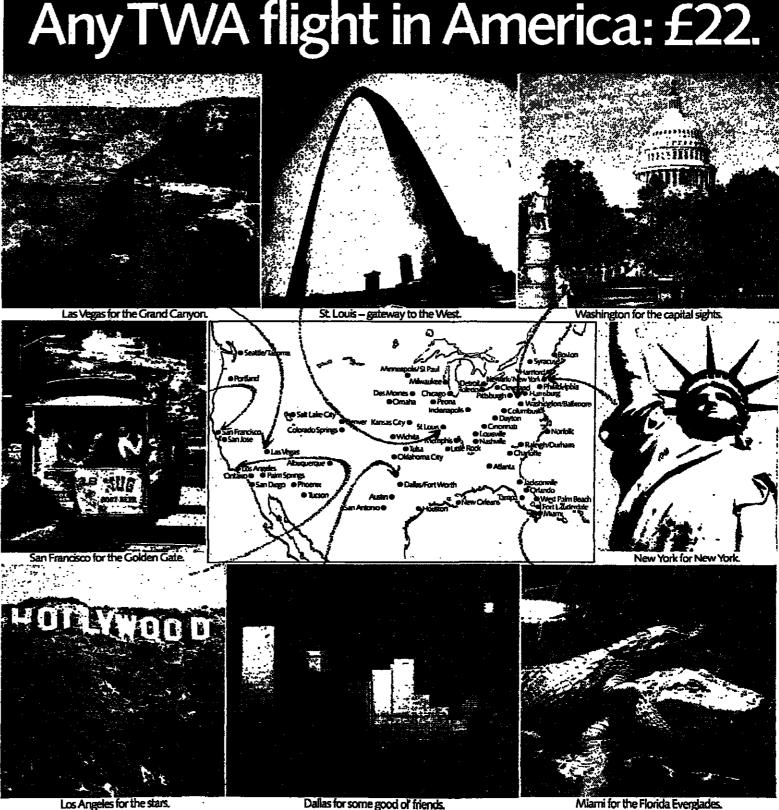
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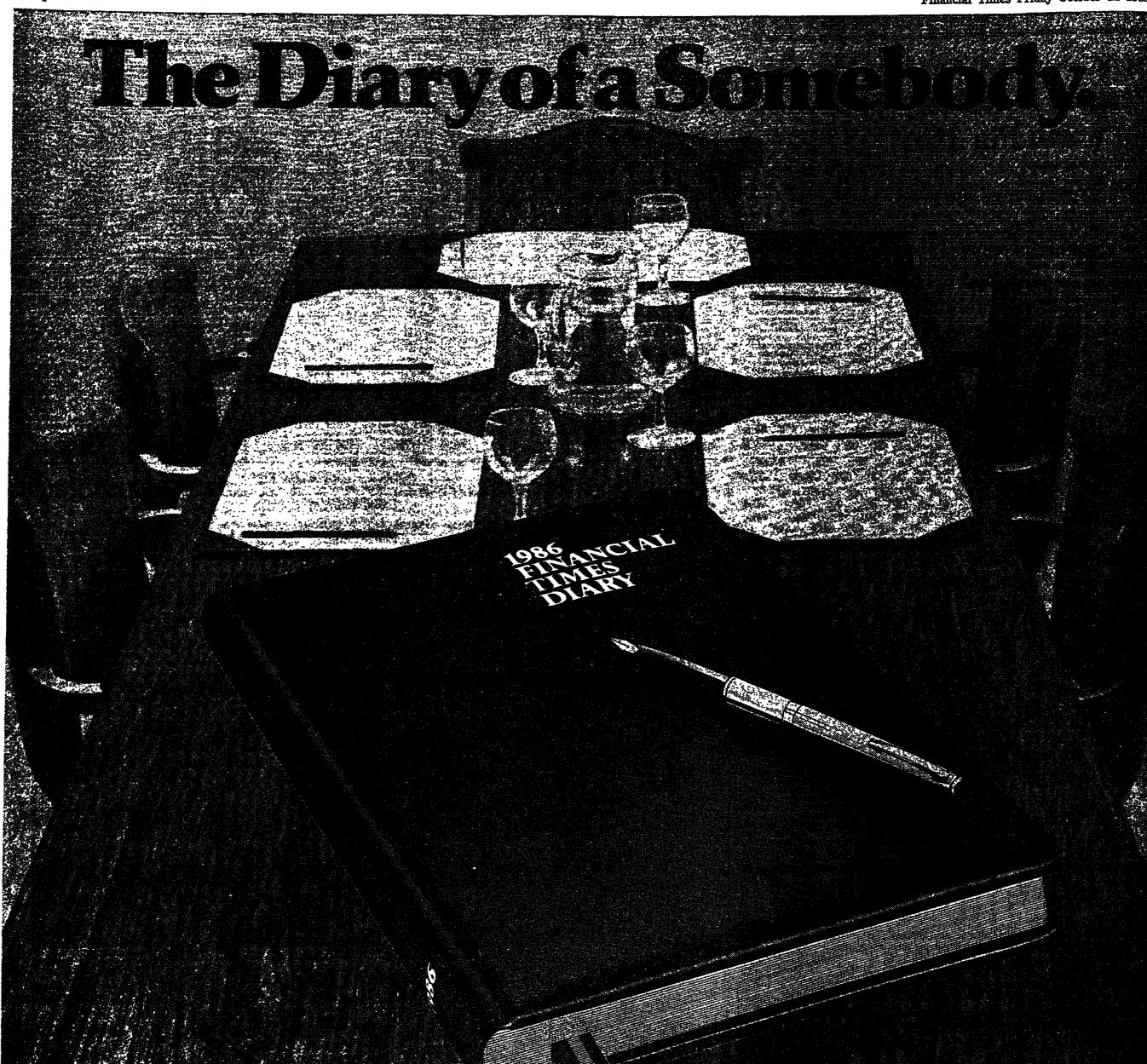
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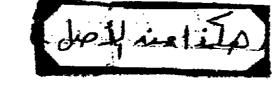
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## **AMERICAN NEWS**

# Peruvian leader takes a gamble on reflation

BY ROBERT GRAHAM, LATIN AMERICA EDITOR, IN LIMA

down from 75 per cent to 45 per cent; the state is to follow a policy of

buying Peruvian; factories will be

permitted to operate four shifts in-

stead of three; and \$25m of hard currency will be made available for

Further stimulation to local pro-

duction is expected to come from

To mop up urban unemployment

especially in the shanty towns that

have grown up round Lima, the

Government has earmarked 110m

These measures are admitted to

ment hopes to be in a position to

strategy after the New Year. Until

then, the bope is that the inflation

rate ban be contained to about 0.5

per cent a month and that any loss of Government revenue through

these various incentive is recouped

subsequently as a result of in-

Nevertheless, the Government's

economic team - of eight main peo-ple including ministers - is already

working on plans for fiscal reform

cancelling incentives which have

caused government revenue to de-

. All the Governments calculations

are underpinned by an important

basic assumption - that no more

than 10 per cent of the public sector

medium and long-term debt is ser-

viced at least through 1986. Peru's

The Government inherited ar-

rears of \$1.7bn from 1984 and expects to accomplate a further

\$2,4bn by the end of 1985. Sr Figuer-

oa says that in the first half of 1985,

\$310m was paid out in debt service

The citient for debt service is

ternational financial institutions

ing sector or important industrial

concerns, third to foreign govern-ments who have provided soft cred-

if, and finally - at the bottom of the

eue – the commercial banks. The Peruvian argument is quite simple:

There is no way we can pay with

Initial reaction to President

Garcia's new measures have been

positive both among lower income

But several independent econo-

mists are concerned that latent in-

resurface and that the Government

groups and among industrialists.

exports of only \$3.3bn."

to 4 per cent of GDP.

cline over the past five years.

creased economic activity.

have a more coherent medium-term

import curbs on 239 items.

AFTER A 60-day emergency auster The overall framework for these programme President Alan incentives remains price stability. Garcia of Peru has opted for a mod- Utilities and the price of petrol will est reflation. This marks a break be held at current rates until the from the susterity model of Argen-tina around which many of the rises, especially in industrial prodmeasures were based when Presi- ucts, are expected to be perm dent Garcia took office at the end of at the end of this month. Exchange rate stability will be maintained with the official rate of

We were significantly influenced by Argentina's economic mea- 14,000 soles to the dollar remaining sures," says Sr Leonel Figueroa, Deputy Finance Minister in charge Sures, says Sr Leonel Figueroa, in force until the end of the year.

Deputy Finance Minister in charge of Peru's debt and a key member of President Carrie's recent the property of the proper President Garcia's young economic team. Two Argentine economists were called in to advise on the poli-cies adopted by President Raul Alfonsin that centred on a wages and prices freeze.

As in Argentina's case, the basic aim behind the emergency measures of July was to cut the hyperinflation rate and restore confidence in the Government's ability to manage the economy. Since August, Peru's inflation rate has been uced from a monthly average of 10.5 per cent to 3.5 per cent as a resoles for emergency public works sult of a swingeing price freeze. Sr sult of a swingeing price freeze. Sr progr Garcia's economic team admits year. there are risks in reflating now but warns that the alternative risks be only palliatives and the Govern-

would be even greater. President Garcia inherited an economy whose production levels were below those of 10 years ago with more than 40 per cent of indus-trial capacity idle. The austerity es hit industry hard, with demand plummeting. To have waited a month longer to reactivate would have meant the strangulation of many companies which are now on short time or which have even temporarily closed their

At the same time, the Governmeat is highly sensitive to the country's explosive social situation. Poverty, combined with 30 per cent syment in the overcrowded capital, Lima, and a deep undercur rent of violence have forced the Government's hand. A modest reflation with more money and jobs available for lower income groups is seen as the best means of providing total outstanding foreign debt is

"We would have liked to have begun reactivating the economy by concentrating on raising rural in-comes and raising agricultural production to offset some of our import dependence in foodstuffs," says Sr

Figueroa. But he adds: "This, we and a further \$180m will be paid in realised, was too slow a process." the second half. Now incentives are being given to

The criteria for nicht service is industry and urban incomes are to that priority will be given first to inmove - suppressing a payroll tax that is currently paid 2 per cent equally by employers and employ-ees. As a further incentive to de-mand, Peru's 800,000 public sector employees are to be given a 1m soles (\$71) interest-free loan split between their October and November pay packets and deductible over

This is intended to head off wage demands, at least until the New Year. The payroll tax will cost the Government a loss of approximately 3 per cent of its revenue. But this will be clawed back by a form of forced savings. Banks, financial in-flationary pressures could quickly stitutions, insurance companies and mining companies will be obliged to may well be in danger of enlarging the public sector deficit now down buy certificates of deposit equal to 40 per cent of their 1984 profits.

Cartagena Group to

meet in Montevideo

THE Latin American debtor nations that form the Cartagena

Group will meet in the Uruguayan capital of Montevideo in mid-December according to Latin officials and bankers,

The meeting will be the 11-

nation Group's first opportunity to assess the new U.S. debt in-tiative outlined this week by Mr

James Baker, the U.S. Treasury

Reuter reports from Seoul.

Secretary.

## Nigeria favours debt accord

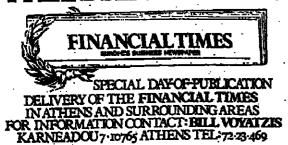
NIGERIA favours calling on its creditor banks for a multi-year rescheduling of medium- and long-term debt, although no decision has been made yet, according to Mr Kalu I. Kaen the Finance Minister, Reuter reports from Scoul.

Mr Kalu said Nigeria faces a crucial question of whether it can continue to live with a debt service ratio of 30 per cent. More emphasis should be put on multi-year packages, he said.

"Clearly if we want ot reduce the burden of debt service, we have to initiate discusions with our various creditors," he said Nigeria owes commercial bank: about \$12hn (£8.6bn).

Asked in an interview whether a rescheduling of bank debt would be appropriate for Nigeria, Mr Kalu said, "I think that should be the proper posture for our circumstant

However, for the moment no decisions are being taken while the new Government of Major-General Ibrahim Babangida which took power in an August 27 coup, sounds out public opinion in Nigeria on the merits of seeking a \$2.5bn IMF loan.



# **Election** called in Bermuda

By Roger Scotton in Hamilton

PREMIER JOHN SWAN of Bermuda has ended weeks of speculation and announced that a general election is to be on October 29.

His ruling United Bermuda Party has until 1988 before its current five-year mandate expires, but Mr Swan says recent political developments have made it necessary to give voters in Britain's oldest colony a chance to reaffirm their support for his administration.

The political developments be efers to include an unprecedented split in the opposition Progressive Labour Party this summer, which led to the formation of a new group call-ing itself the National Liberal

trying to take advantage of this split by calling an early election. He said the creation of the NLP, which was spear-headed by four dissident opposition MPs, has created a fundamental change in the colony's political climate.

The Premier, whose party presently holds a 16-seat majority in Bermuda's 40-member House of Assembly, has ruled out independence as an election issue. "I will under no circum-

independence without the majority consent of the people of this country. I can't think of any other way of obtaining that without a referendum," Mr Swan said esterday. The Premier says his main eapons in the election cam-

paign will be the economy

Tim Coone reports on the 'betrayed' mercenaries of Nicaragua

# Soldiers fail to find their fortune

EARLIER this year, when a Colonel of the Costa Rican rural guard and a platoon of his troops walked into a rightwing Nicaraguan guerrilla base in Costa Rica and arrested five foreign soldiers of fortune, no one was more surprised than the five men themselves.

"We thought they were coming just like all the other times," said Mr Robert Thompson, one of the U.S. mercen-aries caught in the raid. "I even went over and shook the colonel's hand."

The five adventurers, two British, two Americans and one Frenchman are still languishing Frenchman are still languishing in a Costa Rican prison, awaiting a promised, but as yet unscheduled trial. The long wait, and a sense of betrayal, has led two of the men to start speaking openly of what they have discovered about the involvement of the U.S. Central Intelligence Agency and the Costa Rican armed forces with the Nicaraguan guerrillas.

the Nicaraguan guerrillas.
The two British mercenaries,
Mr Peter Glibbery, a former
territorial army officer, and
Mr John Davies, a former officer in the Green Jackets and the Welsh Guards, originally tried to join the South African army after leaving the British army. They were turned down and then headed for adventure in Central America with the U.S.-

backed Contras,
They arrived in Costa Rica
earlier this year, and began
training and advising a group
of Nicaraguan guerrillas operating from Costa Rica territory. According to Mr Glibbery, they visited guerrilla camps inside Nicaragua, as did members of the Costa Rican Civil Guard.

Mr Steven Carr, a U.S. mercenary, admits to having participated in a native on the cenary, admits to having participated in an attack on the

Sporadic fighting continued in the North and centre of Nicaragua yesterday but the U.S.-backed guerrilals of the FDN and Arde have lost the military initiative, according to Commander Luis Carrion, 2 top Sandinista leader.

He said a permanent offensive" by the armed forces throughout 1985 had forced the bulk of the guerrilla forces deep into the remotest parts of the country in Zelaya Central.

However, Commander Car-rion's prognosts may be premature. The disbursement of U.S.\$27m in U.S. Congressional aid to the guerrilla groups is now underway

Esperanza in April. "I am sure we got at least 20, but they were all in uniform. We did not kill any innocent civilians." he

Glibbery said he had been on a four-day solo reconsissance mission, mapping out Sandinista troop positions. "The Nicara-guan leader in our group did not want to do anything so I went myself," he said.

All three prisoners were scathing about the military capability of the U.S. backed Contras, and had fallen out with several of the Right-wing Cuban mercenaries who were leading one group of guerrillas. According to Mr Carr, one of the Cubans who had led the La Esperanza attack abandoned Mr Carr and a wounded guerrilla. "I could have killed him " said "I could have killed him," said Mr Carr, who was recruited through the Miami-based 2506 Brigade, a group of Cuban exiles who were involved in the CIA-directed Bay of Pigs in-

vasion of 1961, aimed at over-

President

-YHEARASHA

Before their arrest, all five advenurers came in conac wih an American farmer living in Cosa Rica, named John Hull. Mr Hull is the milionaire owner of six ranches in Costa Rica and another in Florida, A former secretary of Mr Hull, who lives in Ciudad Quesada in northern Costa Rica, says that Mr Hull is "deeply involved" with the Contras. Mr

Carr and Mr Glibbery said that several Contra base camps are established on Mr Hull's property and military supplies are flown from the Ilopango military airbase in El Salvador to airstrips there, later to be transferred to guerrilla units operating inside Nicaragua. Mr Glibbery also said that Mr Hull had told him that he

receives \$10,000 per month from an official from the U.S. National Security Council, the body which oversees the distri-bution of the \$27m recently approved by the U.S. Congress

guerrillas.

Mr Carr and Mr Glibbery said they were present when officers of the Costa Rican civil guard arrived to discuss intelligence positions with Mr Hull and Contra guerrilla leaders. Mr Hull was unwilling to discuss these matters at his main ranch near Ciudad Quesada last

Mr Hull spoke openly of his CIA contacts, according to the two merceparies. Mr Lewis Tambs, U.S. ambassador in Costa Rica, said: "If the CIA is that incompetent, we're in trouble." His statement could prove prophetic if the mercenarles go for trial.

Mr Carr said that he had been advised by both the U.S. embassy and his state-appointed defence lawyer that if he told the truth, he would probably get "twice the time," and was resigned to a sentence of im-prisonment. But, he said, "I'm going to make a scene.

All three prisoners believe they have been abandoned by the CIA after having filled a gap in training the anti-Sandinista guerrillas. Mr Tambs said: "They have to go through the Costa Rican judicial process. What we don't need is all these romantics running round here."

According to Costa Rican law the prisoners could walt almost indefinitely for a trial, but in the meantime, another sentence hangs over those who have started talking. Mr Carr believes there is a "contract" on his head, but maintains a macabre sense of humour about it. "I wouldn't be surprised if one day I bite into an appple here, and don't wake up for 100

# Chile police arrest 334 protesters

By Mary Helen Spooner in Santiago

CHILEAN Police said yester-day they arrested 334 people in at least five cities during a series of domonstrations protesting against the deten-tion of 10 labour and political activists. The 10 were jailed on charges of violating the country's internal security laws for their part in organis-ing an anti-government pro-test on September 4.

Those jailed include Sr

Those jailed include Sr Rodolfo Seguel, president of the 23,000-member copper mine workers' union, who has been a key figure in pro-tests against Gen Augusto Pinochet's regime since 1983. Gen Pinochet this week issued a strong condemnation of his critics and the opposi-tion's proposed plan for a transition to democratic rule. transition to democratic rule. The accord's backers, want to political conservatives return the country to Marxist rule, he said. He compared the accord's coalition of moderates and leftists to the joint Soviet and British collaboration against Hitler during the Second World War

Nearly 500 demonstrators. mostly university students, held a march along Santiago's main avenue before being dispersed by riot police. In another incident university student leaders and trade unionists led nearly 3,000 people in a procession from the state-run Chuquicamata copper mine in northern

have called for another pro-test on October 15 in an effort to press for the release of Sr Seguel and the other nine union and political activists.

# FOCUS ON SOUTH AFRICAN COMMERCE AND INDUSTRY

# Safren – new international group in transportation, leisure and entertainment

Alistair Macmillan, executive chairman of Safren, and chairman of Safmarine, talks to Richard Rolfe, London-based international editor of Finance Week of Johannesburg.

Rolfe: Safmarine has merged with Rennies; could you outline the rationale for this?

Macmillan: Sea transport of containerised cargo. which is our backbone, is internationally a highly petitive business, In order to survive, it is essential to operate within a group that can compete commercially, logistically and financially on equal terms with such competition.

Volume of business is a very important factor in the financial viability of container transport. Consequently the real rationale is for increased volume of container and airfreight business, and increased efficiency and relatively lower unit costs - thus keeping us competitive internationally.

Rennies meshed in very well with our Freight Services, particularly on "landside" operations. As more and more shipping services become containerised, it becomes crucial to maximise efficiency of your on-land container handling and movements.

Rolfe: What have been the main trends in your shipning services?

Macmillan: The US, which used to be our major route, is a poor third now. We have made up for it with a rise in Far East trade, while Europe remains solid, Safmarine's turnover was R800m in the year to June and we are budgeting for a small increase

Rolfe: Apart from the merger of Safatarine and Renaies, what other diversification moves have

milian: Safren has acquired some 77% of Kersaf, which in turn holds some 21% of Southern Sun. This partially arose from the sale of Holiday Inns by ies to Southern Sun, This allows Sun International to expand from a sound financial base without conflict of interests in Southern Africa.

Rolfe: Has the character of Safmarine changed as a

Macmillan: Salmarine was in a process of change, anyway, for example into other types of transport business. These included inland container infrastructure, cruise liners, airline development and computer

The merger, as such, has not changed Safmarine unduly. The real changes have occurred between our subsidiary Preight Services and Rennies, which was previously controlled by Old Mutual.

Of course, Safmarine is now a major part of a larger group and Safren is headquartered with us in Cape Town, Hence Safmarine and Safren will have direct and very close working relationships. For example our new chairman is also chairman and

Rolfe: Are shipping and leisure a good fit, other than in the obvious one of luxury craising?

Macmillan: We do not see these activities as a good operational fit, other than, as you say, with cruise ships. However, our basic infrastructure developed for shipping, and including geographical location, financial control and information systems, is well

able to serve leisure activities.

Rolle: What is the profit split between leisure and

Macmilian: We have not yet finalised our structure of leisure activities between Safmarine and Safren, so it is not possible to identify yet any meaningful split. New shipping ventures rarely create instant profits whether for cargo or cruising. Our hotel activities, however; are profitable and contribute on a similar scale to shipping activities.

Rolfe: Is freight shipping essentially a low growth

Macmillan: Our liner trades in and out of South Africa are essentially mature businesses and Safmarine has a reasonable market share in each major trade. However, we have considerable ability to grow our share of bulk business, especially for our Rolfe: You went into leisure craising, but the pulled out. Why was this?

Macmillan: Our cruise ship, the Astor, performed very well in almost all respects and most passengers have reported favourably on their voyages. It became a happy ship and was well run.

However, we sold it at the end of August 1985 in order to build a new Astor which will be larger and faster and, of course, brand new. I think this speaks for itself in terms of our faith in the future of this

Rolfe: Where were the customers drawn from? And are other cruise ventures likely?

Macmillan: We have not ruled out further cruise developments in due course. The Astor had great success in attracting non-South African passengers. The UK has provided a good percentage of new clients, while Germany has retained and developed its interest and support for the Astor. The Americans arways provide useful and welcome support for interesting cruises. So in this regard, we are satisfied that there will be ongoing support for the

We found there was less business than we expected in the Eurone-South Africa-Europe legs, but on the other hand. Indian Ocean cruises did very well, as did the Astor's final cruise, to Norway and

The new ship, which will be delivered from Kiel in 1987, will be built - on very favourable terms - to our own specifications and will be a bigger and

Rolfe: What are the prospects for hotel expansion in South Africa?

Macmillan: It depends on the sector that one examines. The three to five star botels, in the main cities, are well developed by Southern Sun. This must be regarded as a mature sector. There are cer-



Mr G A Macmillan

Macmilian: The current base of properly defined tourism is low, when compared with many other countries. The growth rates look encouraging, and the low rand certainly must have accounted for recent growth trends, to some extent. However, thebeneficial effect of the low rand has not yet been

If realistic charter airfares can be developed, we expect to see tourism develop very rapidly. This may still take a few more years to really get going. But we could certainly look at flying tourists from Europe into our resort hotels, perhaps using one of the airports in the region outside South Africa itself.

Rolfe: What prospects are there in South African

Macmillan: The short answer is that there are good prospects. A black middle class is emerging quite rapidly as more colleges and universities train black students. As they become integrated in the active economy, they will have the resources to travel, at first domestically, then internationally. Black tourists are already in evidence within South Africa, particularly in Natal. As more and more facilities and hotels and restaurants become integrated, more tourists can be seen in the holiday seasons.

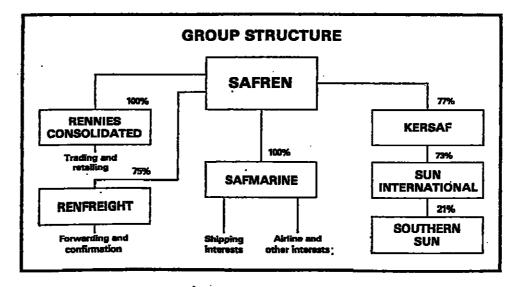
Rolfe: How would you describe your group labour relations policy?

Macmillan: Safren is committed to being an equal opportunity employer. This is easier said than done, because one has to operate within the country's laws. But as these laws change, then so can the group's policies. We have had non-white seagoing ratings and officers for many years, and now there are several senior officers and captains, especially on our smaller vessels.

On shore we employ many skilled, professional non-white staff in our offices, throughout the country. Our computer services company employs several skilled non-white staff. We expect and encourage more non-white staff and support training programmes, both in-house and externally. Our policies towards pay, pension, housing loans

and medical aid, etc are non-racial. Our facilities are fully integrated. We plan to spend more money on the educational and training process in all sectors of Safren, and this is the obvious and necessary route towards just and proper racial integration.

Incidentally, our seamen can become "established" -- eligible for the company pension fund and other benefits including assisted housing. This is in contrast to the situation in the UK, where they form part of a pool. The UK's National Union of Seamen investigated our conditions of service not long ago and said they were better than those in Britain!



exports such as coal, ores and steel, and this we are in the process of doing.

Worldwide, practically all forms of shipping are nature, and will grow only as world trade grows. But we have some scope for raising market share. Much South African export business, especially on bulk commodities, is f.o.b., while importers work on a c. and f. basis - so we tend to lose out both

But in an overall sense, leisure activities are bound to grow more rapidly than shipping and this is one basic reason for our diversification into this sector.

tainly further possible developments, on a selective basis, in South Africa.

Sun International resorts, which controls among others Sun City, the Transkei Sun and our Mauritius hotels, will also be expanded within Southern Africa. As airlines seek to increase low cost charter fares to South Africa, we expect to see tourism develop, providing political events do not discourage

Rolfe: How is foreign tourism in South Africa developing? Has the low exchange rate helped?



# Hijack quandary for PLO strategy

WHATEVER the actual circumstances of the ultimate responsibility for the seizure of the Achille Lauro cruise liner, the affair can only be seen as a serious, possibly fatal, setback to the diplomatic strategy of Mr Yassir Arofat and the main-stream of the Palestine Liberation Organisation,

At an unsatisfactory best from their point of view, if it were proved that the spectacularly outrageous piracy was carried out by elements from outside what might be called the "official" PLO, it has highlighted the kind of maynem those under Syria's control or sponsored by Libya can create. In the longer term, the incident points to the potential of anti-Arafat forces to undermine any settlement with Israel giving the Palestinians any form of self-determination or self-gov-ernment in a confederal arran-gement with Jordan—the aim of current diplomatic man-

logue with a joint delegation including any meaningful including any meaningful that the PLO chairman was Palestinian representation, the starting point for any new "peace process," may already have been effectively destroyed. Yesterday Mr David Kimche. director-general of the Israeli ment into disrepute. The most of the starting point and the process of the control of the starting point for any new peace process," may already has eschewed international that the PLO chairman was Even if the responsibility for the Achille Lauro hijack lies Arafat cannot control those with the Palestine Liberation hardly reassuring.

Front rather than one of the terrorism of the kind likely to two split-off factions sponsored by Syria and Libya or another Sidgwick and Jackson. Price

PALESTINE LIBERATION ORGANISATION established 1964

**PRO ARAFAT** 

PLO (official) AL FATAN (1962)

PALESTINE LINERATION FRO

ADAN LINERATION FRONT (2969 Abdel Retin Absorb

At worst, if the culprits warrowd to be from the Arafat camp headquartered in Tunis the hijacking could more than wipe out the significant gains achieved by Mrs Margaret Thatcher's invitation to a joint Jordanian Palestinian delegation to have talks with Sir Geoffrey Howe, the British Foreign Secretary.

Talks scheduled next week with M Jacques Poos, the outrent president of the EEC will of Ministers could also and along with the manufacturing off on a terrorist operation inside Israel.

The circumstantial evidence with the circumstantial evidence wints to involvement of the PLO.

Tobal Arafat, the circumstantial evidence wints to involvement of the PLO.

Tobal Arafat, the circumstantial evidence wints to involvement of the PLO.

Tobal Arafat, the circumstantial evidence wints to involvement of the PLO.

Bettini Crazi, the Italian Prime
Minister, has met Mr Arafat
twice in recent months.

Any chance of the U.S. Administration agrecing to its
officials entering into a diathis is so, it is highly probable, though not absolutely certain, that the PLO chairman was

SYRIAN CONTROLLED INDEPENDENT

Democratic Alliance PRINCIPAL FRONT FOR THE LIBERATION OF PALESTIME (see 196

LIBERATION OF PALESTINE (1969)\*\* فصلحها البلا Marriet-Leoloist -- broke marr

trons (FFLF) POPULAR LIBERATION FRONT (1977) Abid Fallsh Chadle

ant PLO Institution and to

slaughter by "Black Septem-ber" terrorists of the Israeli athletes at the 1972 Munich Olympics. In 1974 the PLO accepted the

concept of a Palestinian " mini-state" on any occupied concept of a Palestinian "ministate" on any occupied territory recovered from Israel, and Mr Arafat gained a measure of international respectability through his appearance at the United Nations. The PLO has continued however with its policy of trying to infiltrate Israel and has recently claimed responsibility for several abortive attempts to do so by sea.

POPULAR STRUGGLE FRONT CINAN PALESTINE LIBERATION

National Salvation Front

(Rabel faction of Al Fatab)

كدو الا هندنا

PROSIT CLST77\*

notorious such incident was the Nidal's Black June, then it is still possible that Mr Arafat did not know of it.

In a recent authoritative biography\* of the PLO chief Mr Hassan is quoted as saying of the Black September era; "If leaders are wise, they know that there are times when they cannot control events and that if they try to do so, the attempt will backfire on them."

Only Abu Lyad of the top leaders of Al Fatab, the main guerrilla group, approved of the terrorist cell then within its ranks, the author Alan Hart

In appraising the PLO as a participant in any "peace process," the possibility that Mr Arafat cannot contr of those

# Israel may cut interest rates

By Walter Ellis in Tel Aviy

TREASURY officials in Israel are seriously concerned about the effect of continuing high interest rates on the country's business sector, and a cut in rates is likely within the next three weeks.

The Finance Ministry is aware that owners of small businesses and the self-employed are being par-ticularly hard-hit as their need for capital forces them to borrow at cripplingly high

The Bank of Israel, under the governorship of Mr Moshe Mandelhaum, is a Moshe Mandelhaum, is a strong supporter of keeping rates up in the belief that liquidity has to be squeezed out of the system if inflation is to be reduced and exchange rates maintained at realistic

Israel's prime bank rate is currently 6-6.5 per cent a month, and interest on business loans can reach as much as 9 per cent monthly. Business men requiring investment capital, and others needing cash to pay bills are vestment capital, and others needing cash to pay bills, are forced to take credit where they can get it, thus frustrating the Central Bank's policy while buzdening themselves with unsustainable debt. The commercial banks are al-

The commercial banks are also concerned about rates. For the first time, the banks this year have set aside larger sums than required by bank regulations to cover themselves against bad debt and they have recently taken up an estimated \$160m in "monetary leans" from the Bank of Israel.

By the end of October there

By the end of October there is a strong chance of a drop of two percentage points on the monetary rate.



Prime Minister Rajiv Gandhi (left) with some of his advisers; Mr L K Jha, Mr Arun Nebru and Vishwanath Pratap Singh

# A pilot's straightforward ways earn respect for Gandhi

BY JOHN ELLIOTT IN NEW DELHI

HIS MAIN source of advice is a friend from childhood. often his Opposition. He tries to see the point the Opposition are making and then says 'How can we utilise that idea?'"

"He is clearly master of his own mind and takes final decisions with no difficulty."

The speaker is one of the advisors of Mr Rajiv Gandhi, the 41-year-old Prime Minister

of India who during the past year has impressed the world with the way he has successfully with the way he has successfully tackled the deep and often violent problems of the world's largest democracy, despite having little previous political

experience. In India Mr Gandhi, who visits the UK on Monday, has an inaccurate reputation for surrounding himself with com-puter whizzkids and old public-school cronles. In fact he is helped by a hand-picked group of well educated, experienced advisors, mostly in their early 40s, some of whom are former business eexcutives. P.2 also has a couple of close advisors in their early 70s and generally talks to whoever is applicable to the problems he is tackling, including opponents.

Advisors say he has no evident compulsion to speak himself so meetings can be quite brief, even just two or three minutes, unless a major brainstorming session is precided.

needed.

Mr Gandhi came suddenly to power on October 31 last year when he succeeded his mother, Mrs Indira Gandhi, a few hours after she was assassinated. He had entered politics in 1981 after the death in a flying accident of his controversial

dent of his controversial brother, Sanjay Gandhi.

Before that he had an undistinguished academic record at Doon School in North India and at Cambridge University where, like his mother, he failed to obtain a degree.

Till he entered politics in 1981, he was a pilot with Indian Airlines and many of his friends and advisors talk about how he has brought the singlecentration and discipline of a pilot, unencumbered with ideology, to the job of being Prime Minister. "He has not been a politician for long. So he has no bad

for long. So he has no bad has been abandoning. He was habits to unlearn. He is a very a paints executive with Jensen well brought up young man, strangely unlike his late brother, and he has integrity and honesty unlike most Indian brother, and he has integrity and honesty unlike most Indian politicians so he won't, for example, steal or tell lies. And being an airline pilot he is used to doing a disciplined job," says this year and now has the job the threat of assassination,

"His pilot's straightforward approach was shown in the way he handled the Punjab which

has been a threat to the peace of India. It is the Sikhs who have been causing the trouble in the Punjab. So he decided in the Funals. So he decided logically to come to a settlement with the Sikhs, even though they had killed his mother," says an observer. "To him the negotiating table is a place for accommodation."

In addition to his success in the Punjab, Mr Gandhi has also reached a settlement of the troubles in the eastern state of

He has no compulsion to speak himself so meetings can be quite brief, even just two or three minutes...

have been his aides for four

years. In a major ministerial reshuffle two weeks ago they were given responsibility for most of the country's external defence and internal security. Both are ex-business executives and are relatively new MPs.

Mr Arun Singh, a member of
one of India's regional royal
families who was at school and

university with Mr Gandhi, gave up a senior post with Reckitt and Colman of India to ioin Mr Gandhi's staff just after he entered politics. Mr Singh ran Mr Gandhi's office as a parliamentary secretary before the recent reshuffle and is now running the Ministry of Defence as a Minister of State, for which Mr Gandhi is the Cabinet Western Health 1981. Minister. He lives next door to Mr Gandhi's pair of home-cumoffice bungalows within the ring of tight floodlit security that

surrounds the area. cousin of Mr Gandhi, is more controversial and has a reputa tion of being an abrasive fixer, linked with some of the political inheritance Mr Gandhi and Nicholson and ran Mr Gandhi's Congress I Party in

of revamping India's antiquated and inefficient internal security

In his office (surrounded by stengun - wielding security forces) Mr Gandhi works with a hand-picked young team which partly reflects the power and influence wielded by India's elite who have been educated at Mr Gandhi's Doop School (founded in 1935 as the country's major British-style public school), at Delhi University's fashionable St Stephens College and at

reached a settlement of the troubles in the eastern state of Assam, is trying to help solve the problems in Sri Lanka, and is generally liberalising the Indian economy.

Closest to him are two men in their early 40s, Mr Arun Singh and Mr Arun Nehru, who advisor.

Possibly the civil servant with Possibly the civil servant with the most direct influence is Mr P. K. Kaul. 56, former Secretary for Textiles, Commerce, De-fence and Finance, who is now the Cabinet Secretary and sees

Mr Gandhi every morning.
An important economic advisor is Mr L. K. Jha, 71, who in his career has held a number of posts including secretary of various government depart-ments, governor of both the Reserve Bank and Kashmir, and Ambassador to Washington, He advised Mrs Gandhi on liberalising the economy and is listened to by Mr Gandhi regularly. larly.

The three most influential political figures, all highly experienced, include Mr Vishwanath Pratap Singh, 54, the Minister for Finance, who is spearheading the liberalisation of the economy and an attack on corruption. Then there is Mr Narasimha

Rao, 64, former Minister of Ex-ternal Affairs and Defence. He is now in charge of education and other human resources and is consulted on almost all major

The third is Mr R. Venkataraman, 74, former Minister of Finance and Defence and now Vice-President. often taken.

Finally Mr Gandhi has a circle of personal friends of his own age who are still active in industry, advertising, and airlines who see him regually The one person he insists plays no advisory role is his Italian-born wife Sonia, who he

# Hawke demands French apology

BY ALAIN CASS AND MICHAEL THOMPSON-NOEL IN CANBERRA

MR BOB HAWKE, Australia's prime Minister, said yesterday that France should offer an "unqualified apology to the Government and people of New Zealand" over the sinking of

zealand " over the sinking of the Greenpeace protest vessel, the Rainbow Warrior.

Mr Hawke said France's behaviour over the affair had been "appalling," He described the sinking of the vessel in Auckland harbour on July 10 as "an international set of as "an international act of terrorism." The French Government has since admitted responsibility for the bombing of the Greenpeace vessel.

Mr Hawke reiterated that
France should cease testing

rrance should cease testing nuclear weapons at Mururoa in the South Pacific and should, instead, transfer its testing programme to metropolitan "I don't believe," said Mr Hawke." that they can argue that they can't test in France for technical reasons. They for technical reasons. They have the alternative of doing that or using facilities offered by the U.S. Now maybe they cannot test in France for domestic political reasons and second because of La Gloire— of a zeries of escalating

New Zealand yesterday said it would sound out public opinion on defence issues through an expert tribunal drough an experi traumar carrying out a series of detailed poils, Reuter reports from Wellington. However, the Government said it would not necessarily be bound by the tribunal's conclusions on official anti-nuclear policy. Meanwhile, the New Zealand police appealed for inter-French agent they say master-minded the sinking of the Greenpeace anti-nuclear pro-test ship in July.

too far," scathingly, added Mr Hawke

The Australian leader said it was not just his country and New Zealand which opposed French nuclear testing in the

second because of La Gloire— of a ceries of escalating the glory of France—well I'm measures against French testnot impressed by either reason. ing, Mr Hawke replied: "We are election."

You can take La Gloire a bit not contemplating that." But neither did he rule it out. neither did he rule it out.
On the Australian economy,
Mr Hawke said: "The opportunities for manufacturing
industry now are better than
they've been for a decade.
We're also deliberately improving our relationship with the China."

China."

He said he was confident China's open door policy would gain momentum. "If you want to get into the betting game as to who is going to win — the innovators or the reactionaries —I'll tell you where to put your money . . . it's my judgment that the new thrust is irreversible."

Mr Hawke was at his most contemptuous when reminded that the Liberal Party last month elected a new leader, Mr John Howard, a neo-Thatcherite

John Howard, a neo-Thatcherite, "I must say that with each passing day we more and more welcome the fact that Mr Howard is there. By the judgment of his own people he's been a lamantable failure, and he'll get worse. I don't think there's any grantentes that he'll

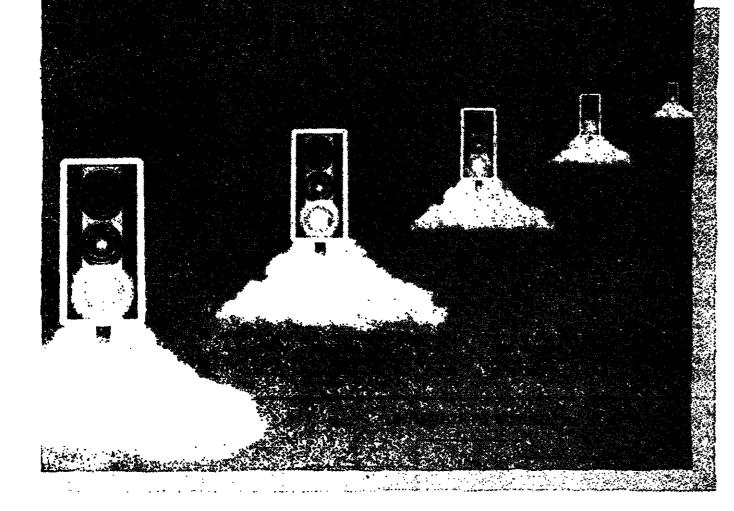
# Chinese differ over reserves

BY ROBERT THOMSON IN PEKING

THE Chinese Communist Party
General-Secretary, Hu Yaobang,
has told a visiting delegation that the sharp decline in the country's foreign exchange reserves is a major problem, while Chen Muhua, the president of the Poople's Rank of dent of the Poop country's foreign exchange export income. The er reserves is a major problem, June figure has been estimated the People's Bank of perhaps as low as \$7.5bn. China, has said that the country has enough foreign exchange in reserve to "back up" its trade. The comments came with the

In a meeting yesterday with the visiting New South Wales Premier, Mr Neville Wran, Hu said that the Chinese economy reserve figure for the end of has three major problems: "One June, long overdue for release. of the problems is that there is At the beginning of October a decline in foreign currency last year, the figure stood at reserves. Another is that the

visiting Japanese journalists that China has had a trade problem this year, but has earned foreign income "through other channels than trade." the Chinese news agency, Xinhus, reported. No details were given of the "other channels." nor of how much has been earned.



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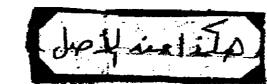
Effective April 1986 subject to government approval.

[ مِكْذَا مِنْ لِأَصِل ]

The Swire Group X

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**3010** 



Anyone who asks why the new Peugeot is being made in Britain should be sent to Coventry.

A walk round our Ryton plant in Coventry will soon give them the answer.

Since 1981, productivity at Ryton has increased by over 50%. How many other car manufacturers in Britain can equal that?

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Improvements like these in productivity and quality don't just happen. It's not simply a case of investing in better machinery and watching better cars roll off the assembly line. Everyone in the



company, at every level, is determined to build more and better cars.

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## WORLD TRADE NEWS

# Bargain car launched on U.S. market

NEW YORK'S Tavern on the S2 in South Korea.

Green, the up-market restaurant set amid the lush foilage of of the American group, Mr Central Park, was host to a Malcolm Bricklin, are also somewhat improbable event owners, but in a strictly this week. During a ritual bout capitalist sense. They have of capitalist American hoopla, teamed up once before as car a host of sleekily-tailored, importers, bringing the conservative-looking motor Japanese Subaru range to the conservative-looking motor Japanese Subaru range to the dealers came to pay homage to a Yugoslav car. It would have been impossible to detect that they were talking about a Car

they were talking about a Com- Mr Bricklin a rich man, and munist product.

The car concerned is the Yugo, a small hatchback which has been on sale in Europe for duestions at the Yugo launch on whether he intended to take the commany public, no doubt munist product. gave him a glowing reputation with investors before he eventuseveral years. There is little that is remarkable about the car itself — it looks vaguely like a number of other vehicles the company public, no doubt because investors remembered how the Subaru share price had

like a number of other vehicles of its kind. But no one has to search very far to see why so many dealers are queuing up for the franchise. The Yugo is to be sold at a truly remarkable base price of \$3,990, some 26 per cent below the recommended sticker price of anything else on the U.S. market. risen tenfold over the years. His more recent ventures have been less successful, notably his efforts to manufac-ture a revolutionary sports car, which, like Mr John De Lorean's venture in the same field, sported gull wing doors. Asked whether he had learned any lessons from this failure, he rejoined smartly that the Yugo doesn't have gull wings. It would be difficult to find It would be difficult to find a greater contrast of cultures than in the organisation which is bringing the Yugo to America. The car is produced, explained Mr William Prior, president of Yugo America, by a company which has some of the lowest wages in the world.

These sorts of questions did not go down particularly well with the 90 or so dealers who have already been recruited by Yugo America, Like car dealers everywhere the Yugo represen-

The Yugo . . . testing a new market

opened up at the bottom of the U.S. market for a basement cated unsatisfied demand for up to 1.5m cars of this kind a peak. They see the vehicles selling to first-time buyers, people who want a cheap second or third car for commuting. and purchasers of second-hand vehicles, who are cheap, reliable transport.

cheap, reliable transport.

The situation had been exacerbated, he added, by the voluntary import quota on Japanese cars. These restraints, he argued, forced importers of this market sector, some motor theaper Japanese cars to push the Yugo could be an important These sorts of questions did not go down particularly well with the 90 or so dealers who have already been recruited by a company which has some of the lowest wages in the world.

"The workers own the company," he said, contrasting the wages of between 60 cents and \$1 per hour earned by workers at the Zastava plant in Yugo-slavia with the \$23 paid in the U.S., the \$12 in Japan, and the

It is also becoming increasingly apparent that Yugo America is not the only company to have reached the conclusion that there are oppor-tunities for cheaply-priced

cars.
Only this week, Volkswagen of America has announced that it is intending to start importing a "low-cost entry-level" model within a year to 18 months, while Skoda of Czechoslovakia is also looking at the U.S., and Hyundai of South Korea preparing for entry. General Motors, the largest U.S. producer, is intending to resound to the challenge ing to respond to the challenge by importing a Daewoo model

from Korea.

Mr Prior argues that Yugo's tactics must be aimed at using tactics must be aimed at using the company's time advantage to build up a commanding position before the other low cost vehicles arrive. "Our objective is to build a brand so that by the time the competition gets here Yugo will be the generic small car," he says prandly grandly

Meanwhile, the U.S. company will be trying to construct a 277-strong national dealership network on dealer margins around 40 per cent lower than the average rate.

At least one hardened dealer believes that the Yugo should pass the test. "It's a real car," he said, casting a wary eye over the products on view under the trees of Central Park. "Most people thought they were going to see a piece of junk. But this will sell."

bloc and out states without the need for government subsidies. Credits for "Category 1" countries covered by the international export credit consensus rules have to carry minimum interest rates of 12-12.5 per cent, although the rates will probably be lowered on January 1.

# Paris takes steps to cut export credit costs

By David Marsh in Paris

THE FRENCH Government, in a move to lower the cost of export credits, has announced a series of measures to boost competition among banks granting loans to back sales abroad. The Finance Ministry is bringing in a new system under which banks will lower commissions charged to companies on export credits.

Banks will be able to com-pete more freely with each other to grant fixed interest buyer credits without the necessuyer creats without the neces-sity to take out insurance with the official export guarantee agency Coface. Loan procedures carried out by the state export credit financing bank, Banque Francais du Commerce Ex-térieure, are also to be opened up to competition.

Because of the fall in capital market interest rates in France, hanks henceforth should be able to grant export credit to richer countries such as the Soviet bloc and oil states without the need for government subsidies.

# Australia in drive to make farm trade key issue for Gatt

BY WILLIAM DUILFORCE IN GENEYA

the opening shot in a campaign to make trade in agriculture a key issue in the new round of international trade negotiations expected to get under way next

Mr Alan Oxley, the Australian Ambassador, told the Council of the General Agreement on Tariffs and Trade (Gatt) that by selling produce at artificially low prices, the European Economic Community had swamped export markets to which Australian farmers could rightfully lay claim.

rightfully lay claim.

The Gatt, Mr Oxley said, had been prevented from using ha rules to redress the distortions in world dairy and sugar markets caused by EEC policies.

It was imperative that agricultural problems be addressed as a matter of priority in the new trade talks. in the new trade talks.

The council yesterday formally confirmed that the Gatt's members will meet on November 25 to decide on the

establishment of a committee to prepare for a new round. The way was opened on October 2, when a special Gatt session, called at the request of the U.S., circumvented a pro-cedural blockage caused by the refusal of some developing countries to allow trade in services to be included in the negotiations.

AUSTRALIA yesterday fired attention will now start to focus the opening shot in a campaign more on other highly content make made in agriculture a tious trade issues, such as agri-

culture.

Mr Oxley tabled at the council a study carried out by the Bureau of Agricultural Economics in Canberra into the distorting effects on world trade of the EEC's agricultural colleges. policies.

The study claimed that EEC export subsidies have depressed prices of major temperate agri-cultural products by some 16 per cent.

The Common Agricultural policy (CAP) had cost the Anstralian economy alone almost A\$1bn (£625m) over the past

few years.
The cost to European consumers and taxpayers has also been high, according to the study, which estimates that transfers and subsidies to EEC carriculture.

transfers and subsidies to EEC agriculture amounted to between Ecu 60bn and Ecu 70bn in 1984.

The Australians expect support from the U.S., Canada, Argentina, Brazil, New Zealand and Uruguay initieir attack on EEC policies. But Mr Ozley also expressed misgivings about U.S. counter assaults aimed at protecting U.S. wheat farmers.

The Australian campaign will

The Australian campaign will be pursued next week in Brussels at a seminar organised negotiations.

Australia's move yesterday and the Centre for European underscores the likelihood that

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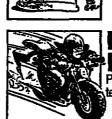
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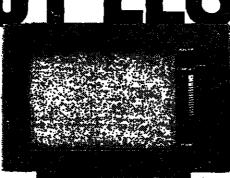
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# Call to end dispute over high-tech export to East

AN URGENT plea for an end to the technology transfer dispute between the U.S. and its Nato allies over exports to Soviet bloc countries, will be put today to members of parliament of Nato countries opportunities for co-operative research and development, miss opportunities for co-operative research and development an

A new report submitted to the smutal meeting of the North Atlantic Assembly in San Francisco warns that the hidden costs of the dispute over U.S. attempts to restrict exports of dualuse civil and military equipment could far outweigh the obvious costs in lost trade and reduced competitivity of and reduced competitivity of Western manufacturers.

It urges greater collaboration between Nato member-states in the redefinition of products to be included in the U.S. restrictions imposed by the new Export Administration Act.

The also repeats the call made

research and development, and under-exploit promising new technologies," it says. A key factor is the mistrust aroused by fear of U.S. export restric-The integration of the 700-

page Military Critical Technology List with the U.S. Commerce Department's existing Commodity Control List "will almost certainly expand the list of controlled items" affected

He also repeats the call made The report, drawn up by Herr
Lothar Ibrugger, a West German parliamentarian and rapperteur of the sub-committee

He also repeats the call made by the North Atlantic Assembly in 1984 for the establishment and an Alliance Technology Agency with the specific job of identifyrapperteur of the sub-committee on technology transfer, warns that "the Alliance will be unable to improve co-operation in civil and military high techno-

### **India** invites groups to build oil refineries

INDIA HAS invited domestic and foreign private companies to submit tenders to build two oil refineries in collaboration with the Government, a Petroleum Ministry official said yesterday, Reuter reports from New Delhi.

New Delhi.

The offers for the refineries at Karnal in northern Haryana state and Mangalore in southern Karnataka must be submitted by October 21.

The Government will hold up to 28 per cent in each of the refineries. The balance will be owned by the partners, who will hear a major part of constructs.

owned by the partners, who will bear a major part of construction costs.

The 6m tonne-a-year Karnal refinery will be built in conjunction with the Indian Oil Corporation at a proposed cost of Rs 15bn (£lbn). The 3m tonne Mangalore refinery and petrochemical complex will cost about Rs 12bn. The Government will be represented by the Hindustan Petroleum Corporation.

Corporation,
Both refineries are to be completed within 48 months from

## U.S. and EEC fail to bridge gap on steel

By Paul Cheeseright in Brussels THREE ROUNDS of talks so far have failed to bridge the gap between the U.S. and the EEC on how European shipments of steel to the U.S. market after the end of this year should be managed.

Officials met in Washington earlier this week but ended two days of talks without changes in the position of either side, it was noted in Brussels yesterday. The U.S. is seeking to bring virtually all EEC steel sold on its market into the scope of a restraint agreement lasting five

This would replace an agreement signed in 1982 covering 10 products But the EEC objects to such

a long agreement The European Commission yesterday announced that it had dropped an anti-dumning investigation into chipboard sales on the EEC market from Bulgaria, Czechoslovakia, Poland. Rumania, Spain, the Soviet Union and Yugoslavia.

# China will expand port facilities to boost trade

BY ROBERT THOMSON IN PEKING

CHINA plans to build more transport development plans is than 200 berths in the next five money.

For example, Western trade gents in an attempt to overtome a chronic shortage of port facilities, seriously hindering the country's export drive and delaying essential imports. Zheng Guangdi, Vice-Minister

be constructed, all able to accommodate 10,000-tonae vessels. Another 96 deep-water berths for smaller vessels will be built, and 25 berths of medium-size" will be added.

No figure was given for the cost of the project, other than to say that the commodate in the control of the project, other than to say that the country is but preferential for their country's ships.

Zheng's statement mentions that "the Chinese transport departments will give preferential treatment to foreign companies which invest in building ports and manage joint ventures in Chinese transport departments will give preferential berthing for their country's ships.

For example, Western trade officials negotiating a port project in Southern China have indicated that the Chinese side is not offering money as payment, but preferential berthing for their country's

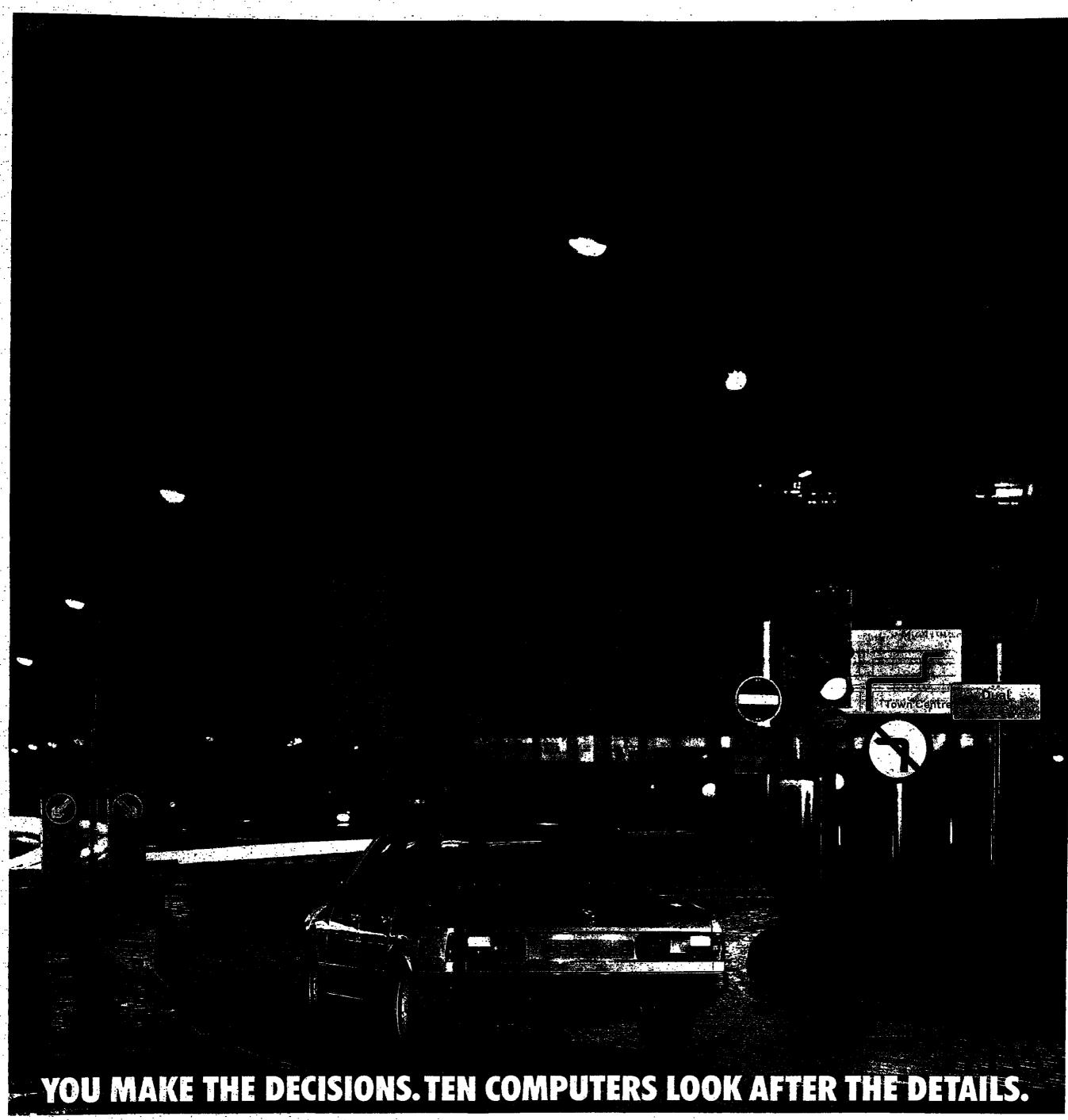
building ports and manage joint ventures in China."

"Accomplishment of the harbour construction plan for

soend more than the Yuan 8.7bn (£2,1m) spent in the last five years, "This is a great project and needs large sums of money," Zheng observed.

Ministry of Communications Ministry of Communications struction will also help relieve officials have admitted that the strains on the harbours," the commodity most lacking in vice-minister added.

[ مِكَنا مِن لِأَصِل ]



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Or the economy mode to make the most of the

22 gallon fuel tank.

And for slippery conditions or towing, select the unique 3-2-1 mode and the car will start – and stay –

in whichever gear you select.

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But not all the BMW's computers are there to ease your life. Some are there to save it.

ABS for example. On braking, however hard, 4 centrally controlled sensors stop your wheels from locking, allowing you to steer and brake at the same time and stopping you up to 40% quicker.

Similarly, the black ice warning function on BMW's second generation on-board computer makes it a little more than just an in-car executive toy.

In designing 9 of the computers, BMW insist that regardless of their function, they all conform to the same rule: never to take away your driving pleasure.

While the tenth, the anti-theft device, makes sure that no-one takes away your BMW, either.



# **U.S. FOOD INDUSTRY**

FINANCIAL TIMES CONFERENCES

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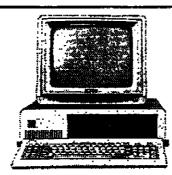
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PERHAPS THE most surpris-ing thing about the U.S. food industry's corporate merry-go-round is that none of the riders has yet fallen off and suffered a mortal mishap.

The carousel started spinning in earnest about 10 years ago when the biggest food groups decided that 1 per cent a year growth in the U.S. birthrate and similar growth in unit sales were affecting the charms and prospects of their sector. From being merely common-place, it was becoming down-right dull.

Diversification into new food Diversification into new rood lines, consumer goods and services was considered the solution. In the way of fashions, it caught on quickly, reached its first peak in the mid-1970s, and was given a further powerful boost in the 1982 when the Reapan Administration relaxed Reagan Administration relaxed U.S. takeover rules.

Since then, there has been a Since then, there has been a flurry of huge mergers, largely characterised by generous prices and mainly involving the leading diversifiers consolidating their positions. According to New York merger specialist, W. T. Grimm, there were 58 mergers among U.S. food companies last year compared with 74 in 1983, but the total paid was six times the 1983 aggregate at \$7.1bn against \$1.2bn.

The whirligig has more recently been given an extra, vigorous twist by the entry of new forces without a traditional base in the food trade. tional base in the food trade. Tobacco companies, eager to diversify from the cigarette market have made most impact. Earlier this year R. J. Reynolds scooped up Nabisco for \$4.9bn to add the world's biggest biscuit maker to its line-up of Camel, Winston and Benson and Hedges cigarettes.

Only a few days ago, Philip Morris moved in on General Foods with an offer of almost \$5bn.

So far, there has been only one major intrusion from an overseas company. The Swiss group Nestlé was given the go-ahead in January to take over Carnation of Los Angeles for \$3bn, in a rare example of a "pure" food company merging with another of similar struc-ture. As Ms Bonnie Cook, stock analyst at Salomon Bros in New York points out, the most desirable of U.S. corporations in the field are now too big and costly to be tackled by most overseas

According to some estimates, about 5,000 U.S. food processors of all sorts and sizes have changed hands in the past 10 years. This does not take into account the many other con-sumer products businesses which have fallen prey to the acquisitive obsessions of those rich and powerful in food.

**Clinging** on a carouse

By Christopher Parkes



Beatrice Foods has been by far the most active. Leading the early drive to diversify, it has come to accumulate a brand list which now includes Aunt Nellie's Sloppy Joe sauce, Butterball turkeys, Avis car hire, Max Factor cosmetics, Samsonite baggage and, under the Playtex brand, a bra called Thank Goodness It Fits

Thank Goodness It Fits. As is clear from Beatrice's job-lot offer for auction last week of Avis and a clutch of hosiery, clothing and audio sub-sidiaries, there is still much which does not fit in the food industry's portfolios.

The process of divestment got running of its non-food interunder way in earnest in about 1981. Of the 69 corporate transactions in the publicly-quoted food processing reactions in the publicly-quoted food processing reactions in the publicly-quoted food processing reactions in the publicly-quoted food processing reactions. food processing sector in that year, 37 were accounted for by companies shedding sub sidiaries. Last year Beatrice alone accounted for 12 of the industry's 29 divestments.

Meanwhile, the company had tried to regain momentum in its basic food business. Calling itself The New Beatrice, it has launched more than 140 grocery products under its 150 brand names in the past two years.

With a \$650m U.S. advertising budget this year, Beatrice is the third largest advertiser in the country. Delving into the unknown area of corporate advertising—brand awareness building is enjoying something of a vogue—Beatrice is to join the international Formula 1 motor racing circus. It has set up a team headed by onceretired world champion Alan 
Jones and embellished by the 
presence of the housewives' 
favourite, Paul Newman, Even the lowliest one-car operation

appear to have picked their way through the minefield without coming to much harm. Quaker, for example, the porridge company, which produces Fisher Price toys and retails spectacles and tools for the do-it-yourself and model-making market, makes a point of leaving the running of its non-food inter-

Dart & Kraft has made a virtue of a relatively small range
of highly specialised businesses.
Having shed earlier acquistions, it is now making a global
success of its interests in Duracell batteries, Tupperware and
processed cheese. With an eye
on the rapidly developing world
market in fast and convenience on the rapidly developing world market in fast and convenience foods, it is steadily picking up dairy specialists at home and abroad. Earlier this year it bought Internize of Milan to

make it a major power in the Italian food industry.

However, many U.S. food manufacturers do not like the way much of the world turns havend their own turns beyond their own borders. For example, the whip hand in the European food market is held by the retail trade. France offers the most extreme case, with more than 70 per cent of all grocery sales being made through the top 5 per cent of retailers. The big supermarket chains use their bulk endering process to bulk ordering powers to depress manufacturers' mar-

in this field costs about \$2m a gins.
year.

The U.S., where top retailers
Most of the other big food account for only about 43 per

cent of trade, is reputed to be the only country in the world where food manufacturers still

make a higher return on capital than the retailers.

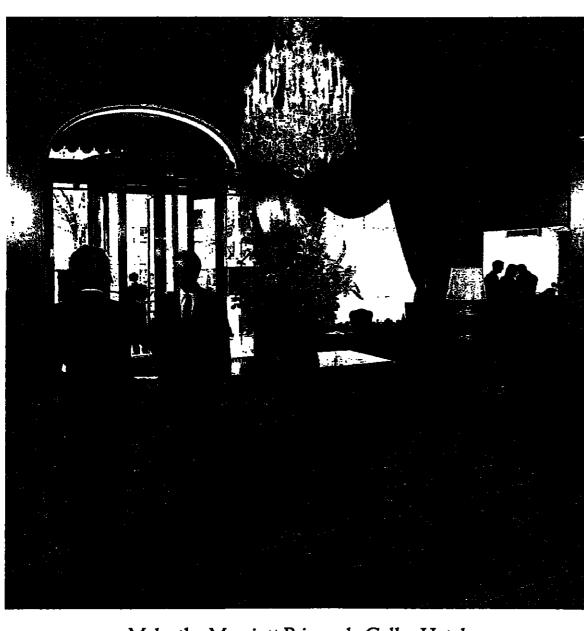
In any case, there is still more than enough activity and diversion in the U.S. market to keep the industry and Wall Street occupied for some time. Industrialists and brokers are agreed on one point. "We will see more consolidation in the food industry," says Ms Cook. "If I were a small \$30n or \$40n company," she says, appar-ently without irony, "I'd be con-cerned about possible takeovers and the marketing power of the

and the marketing power of the major companies."

The stakes are increasing rapidly for the "small" or those of a nervous disposition. While U.S. retail food prices have gone up by only about 4 per cent a year recently. TV companies year recently. TV commercial rates have risen at around 10 per cent. It now costs about \$15m in the first year alone to launch a major food product on the U.S. market.

Even so, there are few signs of any faint-heartedness. Last year almost 1,500 food products were launched in the U.S. compared with 800 in 1980. Food and drink promotion still accounts for 20 per cent of all U.S. television advertising

revenue. Food stocks are still the Food stocks are still the darlings of Wall Street, having outperformed the market for the past four years. Confidence is high that the inflation and unstable commodity prices which dogged the industry in the 1970s are things of the past. The institutions are found of the high tutions are fond of the high returns and clean balance sheets of such companies as Heinz, Kellogg and Quaker. And the financial community is excited by the dynamism of many of the others.



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[ Atilais Hab]

# **DUTCH CHEMICAL INDUSTRY**

Laura Raun looks at how the Dutch chemicals group is changing its product mix

# U.S. acquisitions boost synergy at Akzo

AKZO managed to kill two birds with one stone when it recently bought Warner-Lambert's medical diagnostics division and part of Litton Industries' biotechnology activi-ties. The Dutch chemicals and fibres group has been seeking to shift its product mix toward high-technology, marketing-intensive goods and away from low-margin, cyclical ones. The company has also been attempt-ing to improve its U.S. opera-

ing to improve its U.S. operations.

Both of these goals converged in the two American acquisitions. Pharmaceuticals, one of Akto's four targeted high-tech product areas, will edge up to Fl 2bn (\$869m) in sales, or 12 per cent of total turnover, while Akto will become a leading supplier of diagnostic products in the U.S. as well as internationally. Moreover, the new U.S. businesses will keep the share of American turnover from falling further when and if the sale of American turnover from falling further when and if the sale of American Enka goes through.

Mr Arnout Loudon, Akzo's confident and articulate president, explained his company's purchases, believed to have cost it about Fl 800m, during a recent interview in his relatively modest office atop the Arnhem headquarters. "We already had a lot of diagnostic activities in Europe. Now there will be more synergy."

Synergy, when the whole

activities in Europe. Now there will be more synergy."

Synergy, when the whole equals more than the sum of the parts, is a word that Mr-Loudon uses often to describe the 15-year-old company's heightened efforts to see that research and development are shared among the various divisions. "Current research, which is primarily directed at uses within Akzo Pharma, has already resulted in early comuses within AKZO Fharma, has already resulted in early commercial success." Mr Loudon noted in the 1984 annual report. "But further down the road, recombinant-DNA techniques may eventually replace some of the more traditional chemical processes within the group."

Thus it is no surprise that

Thus it is no surprise that Warner-Lambert diagnostics and Litton Bionetics fit handinglove with Akzo Pharma, Akzo's pharmaceutical division, and its subsidiaries in diagnos-tics, drugs, pharmaceutical chemicals and veterinary pro-



to improve U.S. operations

in the world to market a pregnancy test for hospital use based on monoclonal antibodies—detective proteins produced by recombinant-DNA tech-niques. In 1982 Intervet, the ndies. In 1832 Intervet, the veterinary products unit, into-duced the world's first recom-binant-DNA vaccine against E. coli diarrhea for piglets. A test for acquired immune deficiency syndrome (Aids)

was launched this year and has already notched up sales of one million.

These diagnostic tests and others are founded on immunity modulation, induced changes in the heady's natural defence are the body's natural defence sys-tem that spawned a biotechtem that spawned a biotech-nology revolution a decade and a half ago. That was when scientists discovered the anti-cancer properties of interferon, a protein that triggers the body's defences to slow cell growth and to attack viruses. Interferon is but one of many proteins produced by white

proteins produced by white blood cells in response to cancers or viruses, proteins known collectively as lymphokines. The revelation of lymphokines properties has been likened to the discovery of antibiotics in its professed implicaknown collectively as lymphokines. The revelation of lymphokines' properties has been
likened to the discovery of antilikened to the discovery of antibiotics in its profound implicacations for much of drug catalysts, coatings and advanced
therefore the catalysts and advanced
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therefore the catalysts are speciality chemicals such as
catalysts, coatings and advanced
for much of drug catalysts, coatings and advanced

The Dutch company description.

tain viruses and cancers.

Synergy, as Mr Loudon would say, clearly was the goal in Akzo's purchase of Litton Bionetics' R and D facilities and human and veterinary diagnostics. More than half of the 400 employees in Maryland and South Carolina are involved in research, particularly in anti-cancer lymphokines and mono-clonal antibodies.

Through this research Litton

has discovered a specific and possibly generic vaccine against cancer that is now in the final stages of testing in the U.S. The vaccine is produced by monocional antibodies, and thus is a genetically engineered lymphokine. Part of the cancer research is being conducted under conis being conducted under con-tract from the U.S. government. as Litton in the late 70s with Interferon.

An equally close fit with Organon Teknika is Warner-Lambert Diagnostics, a \$100m a year maker and seller of diagyear maker and sener or diag-nostics reagents (substances) used to detect other substances), instruments and products for hospitals and clinics. The Morris Plains, New Jersey-based busi-ness also includes nuclear medi-cal laboratories in Irving, Texas, that maker redioactive and that make radioactive and enzyme reagents to determine immunity levels. Mr Loudov concedes that the Warner-Lambert unit is only at breakeven point at the moment but is convinced that it will move into the black with the aid of Organical Constant.

into the black with the aid of Organon Teknika.

Outside the U.S., Warner-Lambert Diagnostics is primarily a sales and marketing organisation concentrated in Canada, France, West Germany, Italy and Japan. This international, wholesale network provides a long-sought outlet for Organon Teknika, which is a worldwide supplier of diagnostic tic tests for Aids, hepatitis, rubella (German measles) and pregnancy.

Recides pharmsceuticals, the Capital investments have captured in captured for organo poperates in nearly 50 countries with a continuous for the number 10 syears ago.

Akzo, however, has suffered several setbacks in restructuring efforts and still faces obstacles. Akzo lost out to Obstacles.

example, are engineered by Akzo is not, of course, the fusing two cells and are able to only chemical company look-detect as well as help fight cering to pharmacenticals and other technology-intensive pro-

other technology-intensive products for durable profits.

Monsanto, the U.S. chemicals giant, is buying G. D. Searle, the American drug marker, in a bid to lift biotechnology and health-care sales to one-third of its total. Shell Oil has a leading U.S. gene-splicing company, to make interferon.

Hoechst, whose calbiochem subsidiary is involved in human

If the sale goes through in the second half of October as hoped, however, it will intensify pressure on Akzo to find a fresh

PRODUCT MIX AS A PE	RCENTA	GE OF	SALES
·	1969 F1 6.4bn	1976 F1 10.8bn	1984 Fl 16.5bn
Synthetic fibres	52	35	30
Chemicals products	15	. 26	28
Coatings	5	9	12
Pharmaceuticals	6	10	11
Consumer products	12	7	8
Miscellaneous products	10	13	11

cell research, is sharply and heat resistant. A decade reducing its commodity petro- long and costly patent battle chemicals while Bayer is with Dupont of the U.S. and chemicals while Bayer is with Dupont of the U.S. and moving towards specialty its Kevlar aramid fibre could chemicals and polymers.

Akzo was established in 1969 through a merger of two chemicals and fibres concerns, themselves the results of an amalgamation of a gaggle of other companies. For the past decade, the group has puth. decade, the group has ruth-lessly slashed its fibres capacity. closing plants and laying off workers, while modernising factories across the board. Capital investments have

and its subsidiaries in diagnostics, drugs, pharmaceutical therapy.

therapy.

The American activities immunity research has been the biotechnology research, which biotechnology research, which along with catalysts, special genetic engineering. This incoatings and new materials is volves the manipulation of to get F1 300m of total rising clonal antibodies, and thus is a interferon.

Organon Teknika, the diag.

Cations for much of drug catalysts, coatings and advanced fibres such as aramid and arron firbres. The goal is to reduce vulnerability to cyclical bulk chemicals and textile subsidiary. American Enka, to fibres. The economic recessions of the past decade have splashed a lot of red ink on Akzo's genetic material called DN accounts and it was only last through cell fusion or gene splicing in such a way that that sheer survival no longer that the subsidiary, was the first tasks. Monoclonal antibodies, for profit for 1984.

go against Akzo when the U.S. International Trade Com-mission rules in coming weeks

on whether the Dutch fibre can be imported into the U.S. Preliminary reports to the commission have recommended against allowing the imports, raising the possibility that Akzo will not get the 5-10 per cent of the American market originally hoped for.

in Europe, however, Akzo believes it has a much stronger legal position. Just last week a Dupont claim that Akzo had infringed upon two of Dupont's In London Akzo recently began court proceedings alleging that Dupont had infringed Akzo's so-called NMP-calcium chloride patent relating to aramid fibres. This patent relates to the manufacture of the polymer which serves as the raw material for the production of aramid yarns. Akzo and Du Pont have discussed settling out of court by paying for patent licences, Mr Loudon confirmed, but agreement "depends on the price tag." Having already authorised F1 1bn in R and D costs for the twarpon fibre. Akzo

costs for the twaron fibre, Akzo is keen to get its money back. The premium price (up to Fl 285 a kilo) and many uses (bullet-proof vests and tyres)
make it especially valuable for
Akzo's strategic goals. Mr
Loudon apparently is bargain-



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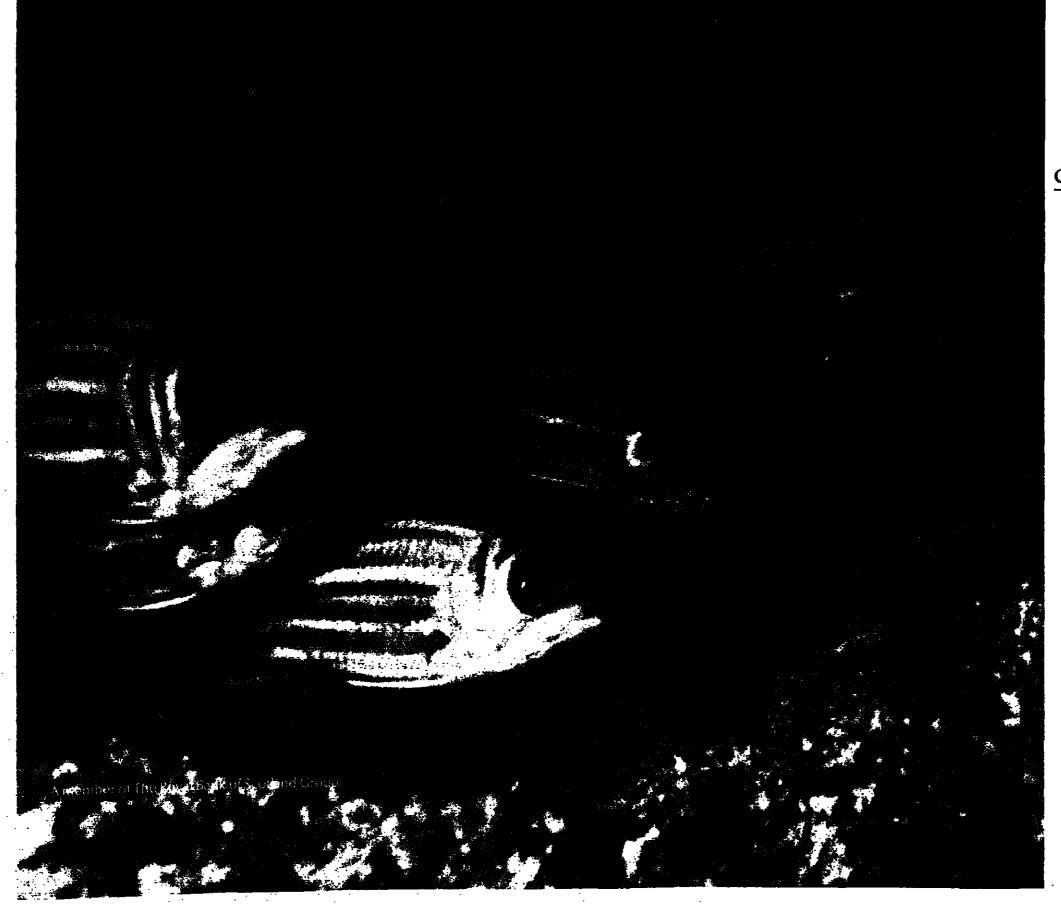
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Surveys...

## **UK NEWS**

# Offers open for state-owned Vickers shipyard for Thames

yard's owner before nation

is not interested in making a bid. It

has already ruled itself out. The

Vickers yard made a £17.7m trading

This year the Vickers and Cam-

£14.1m, with a £20.7m profit from Vickers and a £6.6m loss from Cam-

mell Laird, which has recovered

from last year's labour disputes and

won a £140m frigate order in Janua-

Vickers has a large order book, including three nuclear submarines

- another of these, worth £160m

each to the yard and containing

some £70m worth of weapons, is un-der negotiation with the Ministry of

marines will be worth nearly £2bn

A huge £230m covered building hall is being built at Vickers to han-

dle Trident and other work. Labour

The purchaser will receive nor-

with weapons.

Sold to General Electric for £34m

Sold to management for £100,000 plus 1 per cent of certain future contracts.

Negotiating exage caused by order doubl

price tag on the Vickers yard was tion terms if the project is dropped.

ed for next week.

Talics still on, with man

profit in the year to March 31.

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE VICKERS warship yard in mentioned yesterday. Capital em-Cumbria, north-west England, ployed is the region of £130m.
which is to build nuclear submarines for the Trident nuclear missile programme, has been formally put up for sale to the private sector. There will, however, be no indemnity to cover a possible cancellation of Prident by a future government

One of the biggest yards in Europe, it is the last to be offered un-der the Government's privatisation make a combined trading profit of der the Government's privatisation programme. Interest from compa-nies with engineering and defence interests is likely to be high. The management is also considering a joint bid with employees.

Included in the sale will be the loss-making Cammell Laird yard in Merseyside, which became a subsidiary of Vickers this year under a reorganisation by the parent, state-owned British Shipbuilders.

The Government has set a target of March 31 1986, for completing Defence – and one diesel electric the sale of the warship yards to the private sector. But negotiations are still continuing over Swan Hunter on the Tyne, Vosper Thornycroft in Southampton, and the small Hall

Russell yard in Aberdee The sale document will be given politicisms have said Vickers will be by Lazards, the merchant bank by Lazards, the merchant bank given equivalent work, if Trident is handling the sales, to all interested cancelled and have indicated that parties. "We shall read it," said Gen-re-nationalisation of the warship eral Electric (GEC), which bought yards is not a priority, if the party is the Yarrow yard on the Clyde for £34m this year. Trafalgar House has also expressed interest. No mat Ministry of Defence cancella-

Swan Hunter (Type) Hall Russell (Aberic

authority blocks bid

Television

By Raymond Spoddy THE INDEPENDENT Broadcastin

Authority (IBA) yesterday blocked a proposed £82.5m takeover hid by Carlton Communications for Thames Television, the largest ITV Vickers industrial group, the It said that the Carlton bid would

lead to a "major change in the na-ture and characteristics" of a viable IIV company. This was not acceptable "having regard to the authori-ty's responsibilities under the Broadcasting Act." The IBA has the right to veto changes of ownership of TV companies but no viable company has yet changed hands in mid-franchise.

British Electric Traction (BET) and Thorn EMI control 95 per cent of Thames shares and both have inicated their willingness to self their stake in Thames. Carlton's "legally binding agreement" with BET and Thorn was subject to IBA approval. This proviso was inserted at Carlton's request and could be waived by the company if it decided that it wanted to go sheed with the purchase despite not having the right to transmit programmes.

Carlton, which is expected to

have a profit of film on a f40m turnover this year is keen to ex-pand into cable and satellite televi-sion in Europe. The Thames library of programmes was one of the rea-sons for the hid.

Carlion may now try to take a significant minority stake in Thames. In the year to March Thames had pre-tax profits of £8.7m on a turnover of £187.9m.

Lex, Page 20

Owen Owen, the Liverpool-based department store group, yesterday rejected a £39.5m takeover bid from Clayform Properties, the property and retailing group which obtained an Unlisted Securities Market quotation only six months ago, Charles

The bid is the latest in a series of takeover battles which have led to several leading retailers changing hands in recent months.

Howe urges radical change in S. Africa

eign Secretary, told the Tory conference that at the Commonwealth heads of government meeting next week Britain would forcefully argue for fundamental change in South

Sir Geoffrey was replying to the debate on European and foreign af-fairs in which the weight of debate from the floor had centred on the need for real free trade within the

The Foreign Secretary, who received a standing ovation, said of South Africa: Let there be no doubt. This Government wants to see established in South Africa a democratic system of government that is acceptable to all South

apartheid. So there must be funda-mental change. And we must be ready to use our influence, to use our long-standing links with South Africa, to promote that fundamen-tal change.

Sir Geoffrey said he would not apologise for Britain's rejection of

the call for an economic and trade boycott of South Africa. Such boycotts, he said, would diminish and not increase pressure on the South African government to introduce

SIR GEOFFREX HOWE, the For- the fundamental changes that were will meet a ready response from

Referring to the Middle East, Sir Geoffrey defended Mrs Margaret Thatcher's invitation to a joint Jordanian-Palestinian delegation to visit London for talks.

"We must be willing to take risks", Sir Geoffrey said. "Our aim is to strengthen the resolve of mod-erate Palestinians to move in the di-

Of Mr Mikhail Gorbachev's recent proposals for nuclear arms reductions, he said: These Russian counter-proposals need to be carefully examined on their merits and ut any illusions. The West must take care to negotiate an agreement which does not build in permanent Soviet advantage

Speaking of the Soviet Union's suggestion of arms negotiations with Britain and France, he said that if the U.S. and the USSR could agree upon very substantial reducns in strategic offensive weapons, and there was no significant change in Soviet defensive capabilities, "then we shall be prepared to

look at our own position."

Sir Geoffrey added: "A genuine wish on the part of the Soviet Union

In discussing the EEC, the Foreign Secretary said there was still plenty to do in securing a truly free market, particularly for air travel. He added that the EEC was more than just free trade. "Europe is about the ever closer unity through which 12 sovereign nations can ex-ercise together their power and inrection so courageously mapped out fluence to strengthen democracy by King Hussein." around the world." Speakers in the debate focused

> possible free trade within the EEC. Mr Neale Stevenson (Portsmouth North) said: "This motion is a recipe for jobs and growth."
>
> The Government dissociated itself from calls by some right-wing-ers for voluntary repatriation of black immigrants and sought to

> on the motion which called for ev-

ery effort to ensure the maximum

party of multi-racial Britain, Kevin Brown reports.
Mr David Waddington, Home Office Minister, said the Government stood for firm control of immigra-tion. But he expressed strong opposition to the concept of voluntary re-

and would further alienate those

present the Conservatives as the

turbed by the emergence of immi-gration and race relations on the conference agenda after a ballot of



Sir Geoffrey Howe: rejected trade boycott

Mr Waddington said only the Conservative Party could create a truly multi-racial society.

Party leaders were initially disthere was little of the anger and dis-

FINANCIAL TIMES

# Disorderly conduct to be made an offence

Mr Hurd, who received a standing ovation, was replying to the de-bate on law and order in which speakers had strongly derided some Labour leaders' attitudes towards the recent riots and called for tough action against criminals.

Mr Hurd said the Public Order Bill would strengthen and clarify the law relating to riot, affray, violent disorders and breach of the

A NEW offence of disorderly conduct is to be included in the Public needed. Too many of our housing Order Bill, Mr Douglas Hurd, the Home Secretary, announced yestermade bleak and gloomy places by rowdy and intimidating behaviour.

The new offence would catch hooligans and was a significant new power for which the police had ar-

Referring to the recent inner-city disorders, he said an orgent review was now identifying the needs of the police - whether it be of equipment or updating tactics. He said social problems must be dealt with evenly and fairly, but crime had to we have thought carefully, too, work of criminals. The roots of about how to deal with hooligan be- these acts lie in greed and the excithaviour," he said. "We have come to ement of violence."

Mr Hurd, like several of the speakers before him, criticised Labour councillors such as Mr Ted Knight, leader of Lambeth council in south London, and Mr Bernie Grant, leader of Haringey council in north London, who, he said, attacked the police rather than assisting them.

Singling our Mr Grant, the prospective Labour Party candidate for Tottenham, north London, who was reported as saying the Tottenham rioters last weekend gave the police a "bloody good hiding." Mr Hurd said: "Mr Grant cannot be allowed by any law-shiding party to proceed as their official candidate at the next election."

of the Government's community nised crime.

places would be allocated to crime prevention projects. He said that Sir Keith Joseph, the Education Secretary, was to promote school projects to combat juvenile crime.

Several speakers spoke with considerable anger. Mr Tom Butcher (Gedling) touched on grass-roots support for capital punishment and called for much stronger backing

Mr Ian Pickton (Streatham, London) spoke of the support by ordinary men and women in Brixton south London, for community poli-cing but the opposition and intimi-dation that they sometimes suf-Mr Hurd announced that as part fered from the ultra-left and orga-



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AIR CANADA (\*)



# Failure to back Eureka | Lawson's dilemma over money supply projects 'untenable'

day came under attack from representatives of the informationtechnology industry for failing to back with hard cash a set of plans for a pan-European programme of "strategic" research called Eureka.

Industry spokesman described the Government stance as unten-able and accused it of failing to follow encouragement for Eureka with offers of money. While the Government has generally supported plans for the French-inspired pro-gramme, which is due to finance collaborative projects in broad technology areas such as high-speed trains and pan-European radio sys-tems, it says that British companies ting in the scheme can not expect a new source of state

Instead, Mrs Margaret Thatcher's administration expects industry to find support for Eureka projects from private organisations such as City of London institutions, an approach which it is attempting mote at a conference on Eure ka in London on Monday.

The gathering, to be addressed by Sir Geoffrey Howe, the Foreign Secretary, will be attended by banking and industrial representatives from 18 West European countries. It will attempt to thrash out ways in

THE BRITISH Government yester- get involved in funding the early uses of research.

Plans for financing Eureka – and what form the projects will take are still at an early stage. But the proposal has won general support in Europe, partly because it could act as a counter to the kind of broad research projects that the U.S. is likely to undertake as part of its Strategic Defence Initiative. Mr Derek Roberts, research di-

rector of GEC, said yesterday that while the Government had displayed much sound thinking on Eureka, its refusal to consider backing for the project from public funds was "totally untenable."

He said that British companies participating in Eureka could be put at a disadvantage if other enterprises in the programme were re-ceiving state funds. France had ear-marked FFr 1bn for Eureka and other countries such as West Germany and Italy were considering some form of state backing.

Mr Roberts said that Monday's gathering was irrelevant to the funding of long-term research of the kind envisaged under Eureka. Financial institutions could hardly be expected to come up with cash to support projects while they were still at the engineering stage.

Plessey, meanwhile, has sent the Department of Trade and Industry (which is responsible with the Foreign Office for Britain's approach to Eureka) a critical memorandum on the Government stance on the pro-

Dr John Bass, director of Plessey's research laboratories in Caswell, near Northampton, said the company's research activities were already overstretched. In the absence of extra cash, it would be difficult to expand the research to cover Eureka projects. "If the UK Government believes Eureka is essential to Britain remaining a high-technology country then it should put its money where its mouth is," said Dr Bass.

Dr Ken Gray, research director at Thorn EMI said he was "unhappy" at the Government approach. "Backing Eureka with finance is consistent with doing something about the employment situation. If you want to generate organically grown business in the UK then you have got to support research and

He said companies in the U.S. and Japan received indirect subsidies for research, either through tax credits or low interest rates. According to a Foreign Office spokesman, Monday's meeting should not be expected to produce firm plans for Eureka projects, but would try to put people from differ-ent countries and backgrounds in

ONE OMISSION from the carefully while gross domestic product in crafted speech which earned Mr Nigel Lawson, the Chancellor of the hequer, a standing ovation from 11 per cent. the Tories at their conference on Wednesday was any mention of the money supply.

That was not just because the subject is technically difficult. Mr

We came to power in 1979 pledged that never again would use resort to Labour's nostrum of 'printing money' to pay our bills. Only by strict discipline over the money supply can we deliver this country one and for all from the screen of once and for all from the scourge of

say our determination has kept the growth of the broad measure of money in the economy (sterling M3) well within the tight targets which I and Sir Geoffrey Howe insisted up-

on in budget after budget ...."

Alas, he could not say this. Only the day before Mr Lawson rose to the rostrum at the conference, the latest Bank of England figures showed that sterling M3 has been growing at the equivalent of an an-

Since the beginning of this dec-ade, sterling M3 has risen by 100 per cent, although a 10 per cent jump in 1981 was caused by a redefinition of the monetary sector. This four months to September. growth is twice the rate of increase

per cent and real output by around

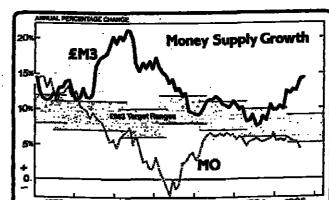
So the original idea that control of the money supply could be nu-merically linked to the growth of output and inflation has long since been discredited. A relationship Lawson would no doubt have been certainly exists, but this has been delighted to add to his catalogue of almost completely obscured by Conservative successes something changes in people's banking and cash management habits or, in the

jargon, changes in the velocity of circulation of money. The Treasury might say that is all old hat that these obscurities have been recognised at least since 1981 and that simple monetary targetry" has long been replaced by a more eclectic approach based on a broad range of indicators, including

To some extent this is accepted and understood in the financial markets. Yet Mr Lawson will have a hard job to laugh off the recent surge in "broad money" growth when he makes his annual setpiece speech to the City of London at the Mansion House dinner next

growing at the equivalent of an annual rate of 18% per cent since the budge last March – when the target of 18% per cent since the budge last March – when by the authorities to mop up excess money by selling gilt-edged stock. Net sales of gilts to British residents have been very low in the

> This is partly because foreigners were snapping up government



this does not help to reduce the money supply). The Government sums in the period for redemptions

In spite of these factors, the City is increasingly wondering whether monetary policy is being covertly

at the Bank of England and the Treasury, believe that even though the growth of sterling M3 may be distorted, excessive growth is a warning signal for future inflation that must be taken seriously.

 A significant amount of the Goveroment's credibility is still invested in its money supply targets. Mr Lawson let it be known only in February that he hoped the sharp tight-ening of interest rates would bring monetary growth closer to the cen-

will have to give very careful thought as to how he justifies and interprets his conduct of monetary policy in next week's speech. His first line of defence will prob-

ably be to say that Mo, the new target for "narrow money" introduced in the 1984 budget, has been behavin the latest six months was only 3%

per cent.

Mr Lawson may be tempted to say that, if one takes a rough average between the growth of Mo and sterling M3, monetary growth would seem to be about 9 per cent

over the past year.

This is a superficially attractive argument, but what does it mean? Mo measures mainly the notes and coins in people's pockets or in bank tills - about £13bn at the last count. Sterling M3 includes this cash but ures in addition all deposits in bank accounts - about £120bn in all

at the last count. So one explanation for the different rates of growth is simply that high interest rates have caused people to switch from holding cash to putting money into interest-bearing

deposit accounts with the latest easy withdrawal facilities. Since the start of 1980, the value of notes and coins in circulation has declined by about 17 per cent after allowing for inflation. Deposits in non-interest bearing bank accounts are down by 10 per cent in real terms while the value of interestbearing accounts has risen by 350 er cent in real terms.

So Mr Lawson can argue that much of this so called money is really savings which might equally have been stored in government

The Government itself is not entirely convinced by this argon Even teenagers now have bank de-posit accounts with a cash-card which can convert all their "savings" into records or clothes in a single afternoon. So the savings are

money as well. That is the dilemma for Mr Law son, at a time when public sector borrowing and a rather feeble fund-ing effort are putting a double pressure on the broader money supply.

He may claim that the less aggressive funding effort is a justifi-

able loosening of policy, at a time If this is his policy, no proper explanation has yet been given. The City is waiting to hear one.



# Top computer expert signs up for star wars

ONE OF Britain's top computing being pursued under the \$33bn star academics, has agreed a contract with a leading U.S. defence company to work on software aspects of the U.S. Strategic Defence Initia-

He is Professor Manny Lehman, emeritus professor of computing at Imperial College, London, who has an agreement with Science Annual College. an agreement with Science Applica-tions of Washington DC, a 6,000-strong company with an annual turnover of about \$500m.

tists and companies from signing star wars contracts ahead of a fornext month, setting out guidelines for participation.

It also underlines the divisions in the academic world about collaboration on star wars. A group of about until well into the 1990s. 100 British computer scientists re-cently wrote to Mr George Bush, the U.S. Vice-President, urging him together the various compo-nents of a star wars system, for intechnical and political grounds. In as they cruise through space and the U.S., university scientists are the weapons such as laser guns that forming groups attempting to boy- attempt to shoot them down.

wars programme could be turned fend the West from Soviet missiles. Prof Lehman is a founder and di-

The contract with Science Appli-cations is with Prof Lehman per-sonally, though the company could

get involved with the work at a lat-The appointment may embarrass er stage. The professor is a leader the UK Ministry of Defence, which in "software engineering", technics seeking to dissuade British scien-niques to build efficiently and quickly programs for running complex computer systems. Pentagon officials acknowledge that designmal agreement between Britain officials acknowledge that designand the U.S. expected within the a working star wars system constitutes one of the fundamental difficulties of the SDI research programme, which is expected to run

4

Prof Lehman said he had not dis Science Applications is one of cussed the contract with the Ministry contractors handed \$5m contracts by the Pentagon's SDI organisation to study how technologies about the contract.

# Intasun raises tempo in holidays price war

even lower prices in many cases for early bookings up to the end of this year and with guarantees which match those offered by Thomson.

The Lagrange was a formed to the formed thorse collection of the power station at Grimethorpe collection. Yorkshire, being developed and the Central Electricity Generation. Intasun, Lancaster Summer Fun ing Board. and Global, all members of Mr Harry Goodman's International tering Thomson's plans to nearly double its capacity next summer to 2m holidays. With the inclusion of the team in charge of the project, said the work by Westinghouse would be financed by the Florida. Global holidays officially in the group from November 1, ILG will increase its capacity to 1.75m holi-days from about 1.2m last summer. The scene is now set for a battle etween the two leaders in the market. Whoever wins, and Intasun has made no secret of its ambition to

ost Thomson as leader, "it will be a hellish year for small to medium-size tour operators", Mr Goodman said in London. Lex, Page 20 ☐ RICHARDSON Sheffield, one of the most successful cutlery companies left in the UK, is to be taken over in a merger deal agreed in principle between its private U.S.

owner and McPherson's, a publicly Talks are under way which could lead to extension of Richardson's plant, its product range and marketing scope, according to Mr Bry-an Upton, managing director. "Exrecent years could even be accelerated," he said.

The company claims to be the biggest manufacturer of kitchen makes 700,000 Laser brand knives pected to reach £8m this year, comof sales are made overseas, mainly in France, West Germany and

□ WESTINGHOUSE Electric, the search project on ways of burning 1984

INTASUN, Britain's second largest coal in power stations more effi package tour operator, yesterday ciently and with less pollution.

Countered the cut prices being offered next summer by Thomson design the hot gas cleaning equip Holidays - the market leader - with ment for the £25m experimental

> Mr Malcolm Edwards, NCB com mercial director and chairman of Power Research Institute in Cali-fornia, a private body supported by the U.S. electricity supply industry. The contract, he said, was worth "several million dollars."

> ☐ AIR FARES between the UK and Belgium are likely to be cut sub-stantially as a result of a new air

British Caledonian, the indepen dent airline, responded immediately with an application to the UK Civil Aviation Authority for a 20 per cent cut, from £89 to £55 in the cheapest available return fare for winter operation from December 1. British Airways, however, said it would not make any statement on new fares for the time being.

The new pact, signed by Mr Mi-chael Spicer, UK Aviation Minister, with Mr Herman de Croo, Belgian Communications Minister, is the pansion which has taken place in latest in a series of more liberal international air transport agree ments between the UK and continental European countries.

blades in Western Europe and STEEL PRODUCTION in Britain averaged 304,100 tonnes a week in and blades a week. Turnover is ex- September, 22 per cent lower than in the same month last year. The pared with £3.4m in 1982 and decline was due entirely to a sharp £751,000 in 1975. About 60 per cent drop in output at British Steel's Port Talbot works in South Wales, which is in the middle of a 2170m modernisation programme.

In the first nine months of this □ WESTINGHOUSE Electric, the year, steel output has averaged Pitisburgh-based conglomerate, is 303,900 tonnes a week, 5 per cent to take part in a major British re- higher than in the same period of

[ Alilan Lab]

Competition

# How the Japanese write their own rules of the game

BY CHRISTOPHER LORENZ

IT TOOK XEROX several years in the 1970s to wake up to the ability of Canon, its arch-rival from Japan, to perform "end-runs" and "quarter-back

By the time the American copier giant had realised that almost every aspect of its own game was being bypassed by its more imaginative competitor, Canon was stealing much of Xerun's market share—or, to complete the baseball metaphor, winning many more runs. The Japanese company changed every rule of the game in copiers—technology, design, production costs, distribution and sale arrangements, pricing, service, and even the way of defining market share.

According to C. K. Prahalad and Gary Hamel, two business school academics, the Canon story epitomises the growing tendency of Japanese companies to invent new ways of compet-ing; to take their Western adversaries by surprise; and to build not one but several layers of competitive advantage.

argue Prahalad and Hamel, is now a fundamental part of the Japanese way of doing business in industries as diverse as cars and consumer electronics, computers and construction equip-ment. Yet far too few Western companies have realised the fact. Even fewer are doing anything about it. Only a handful, such as People Express, the U.S. no-frills airline, are themselves reinventing the rules of competition. Most are still trying to jockey for position under the old rules—and are losing accordingly. Instead of increasing competitive variety in their industries, they are indulging in short-sighted competitive imitation.

Pert

Wan

p<sub>0</sub>

you're fairly evenly matched in resources, but you don't jockey

ONCE a year the world's leading experts on corporate and business strategy get together for a vertiable orgy of debate on the latest notio about what makes companies succeed and fall.

The 1985 meeting, under the title "The essence of strategic management" was held late last week in the Spanish city of Barcelona under the aegis of the Strategic Management Society. For three long days, and in 75 different sessions, more than 600 business school academics. 600 business school academics, consultants and managers discussed new ideas strategic planning; Strategic organisational structure technology management; entrepreneur-ship; joint ventures; the

comings, but put much of the blame on their fellow academics for preaching strategic concepts Such competitive innovation, and "generic strategies" which put a strait-lacket on competitive innovotion rather

> The failure of Western companies to master competitive innovation and surprise formed only one strand of Prahalad and Hamel's analysis. Equally harmful, they argued, is the predominant lack among Western companies of a clearly-environment of the predominant of the predominant was a superior to the predominant of the predominant of the predominant of the predominant was a superior was a superior to the predominant of expressed 20-year "strategic intent" that focuses the energies of the entire organisation and, paradoxically, allows it to behave opportunistically. Apart from such paragons as IBM, most western companies have either no consistent vision at tion of competitive advantage all, or one which they do not to the gradual building of a communicate beyond the rari-house. Strategic intent was the

impact of information technology; and a dozen other issues. To the considerable interest of the Europeans in

particular, Professor Michael Porter of Harvard, the strategy world's leading gurd, argued persuasively that a company's competitiveness is influenced more by managerial factors than by its macro-economic environment. germ factors than by its macro-cesnomic environment. But some of his more mainstream teachings, on competitive advantage and "generic strategies," which have proved highly influential in Western community over the mac five companies over the past five years, came under attack. The most far-reaching criticism came from C. K. Prahalad of Michigan University and Gary Hamel of the London Business School (see below).

Western industry for its short- early 1960s that "We'll put a man on the moon by the end of the decade."

Clear corporate commitments Clear corporate commitments of strategic intent provide a long-term framework within which Japanese companies can behave in an opportunisitic fashion, argued Prahalad and Hamel. "The Japanese win marathons by a series of 200 yand sprints."

In Komatsu, the intent to "Maru-C" had remained fixed since the 1960s but had been continually re-interpreted to embrace layer upon layer of more specific corporate pro-grammes: first, better product levelopment; then global marketing; then various types of cost reduction, and so forth. The two academics likened this layer upon layer construc-

communicate beyond the rari- house. Strategic intent was the field reaches of top management. blueprint of the house, and the resources, but you don't jockey Honda's strategic intent, prefor position with an elephat if mulgated to everyone in the
you're an ant," say Prahalad company, has always been "to

The notice, and the
company's subsequent programmes and actions were the
bricks. "Whenever a Japanese be the Henry Ford of Japan". company finds a brick that it Komaisu's has been "Maru-C" needs, it puts it in place."

seen as opportunistic actions rather than as part of a strategic pattern. In the 1960s and 1970s, for instance, few Westerners spotted the links between the sale of branded Japanese televisions in the third world and the making of carallels. The few American own-label TVs for American retailers. There seemed to be equally little connection between these

two developments and the in-cursion of Japanese TV manu-facturers into Europe through the supply of tubes and other key components to indigenous TV suppliers. Yet connection there most certainly was sustained campaign to build competitive dominance through layer upon layer of "bricks" —low production costs, strong international distribution channels, broad product lines, and a network of international operatios with the ability to cross-subsidise each other. In a phrase, it was a campaign to win outright global victory.

"There is no orthodoxy in how the Japanese build global strength," emphasised Prahalad and Hamel. "In some markets and Hamel. "In some markets they go one way, in others another. If you're a burglar and you find the door locked, you use the window. If the window's locked, you climb down the chimney." This infinite variety of competitive weapons included doing deals with an opponent which helped him solve an immediate probhim solve an immediate problem, but which disarmed him in the longer term. "You present him with a series of attractive individual choices which to-gether cause his downfall." By supplying European Ty makers with key components at low cost, Prahalad and Hamel argued, the Japanese had been

annexing most of the added value in the TV industry. In information technology, Japanese manufacturers were following a similar pattern of gradually amassing loose bricks in order to build a complete house. Through a mixture of direct sales, subcontracting, licensing, joint venture and so on, they had become dominant you're an ant," say Prahalad company, has always been "to and Hamel, whose devastating be the Henry Ford of Japan".

European "strategic performance gap" was one of the both these companies, such highlights of a major international conference in Barcelona last week on corporate and business strategy.

The duo not only attacked company, has always been "to build a complete house. Through a mixture of direct sales, subcontracting, has been "Maru-C"

All too often, claimed the house. Through a mixture of direct sales, subcontracting, panies failed to detect the connection between the various parts of the globe were and memory chips. By a series



they had also esten deeply into the market for large computers. Prahalad and Hamel would not attempt to argue that Japan has yet built its "Infor-mation Technology house" — for one thing, TRM's strength and sophistication far exceeds that of Xerox in copiers, or of the western TV industry. But the trick is the same, of, as Prahalad and Hamel put it,

"killing your opponents with a thousand cuts." What makes most Western companies unable to act as imaginatively and forcefully as the Japanese? Are they blind, dumb, or just stupid?

Prahalad and Hamel have francial and raines have formulated a depressingly long litany of reasons, which they were only able to summarise With honourable exceptions

such as Citibank, Dow Chemical and (again) IBM, Western companies generally lack any consistent long-term strategic intent. Most either have no clear vision at all, or one which teeters wildly every few years.
U.S. General Electric, which is
usually seen in the West as a
model of good strategic
management, is criticised
especially strongly on this score Prahalad and Hamel. • Most companies have a static view of Japanese strategy, and/

or a partial view ("they see only one wall of the house at a time.") completely re
"By the time the Western cepts it uses."

of carefully pitched alliances company has taken action to emulate its competitor's low easts, distribution strength, or whatever, the Japanese com-pany has added another layer." The prevalence of simplistic or "reductionist" strategic concepts and tools. Under this heading the two academics classify errors such as an overliteral use of portfolio matrices. and the slavish following of supposedly alternative (but

actually compatible) "generic strategies" of cost leadership, differentiation, and "focus." They also make the common complaint that many strategic planning processes enforce conformity, rather than innova-

● These strategic shortcomings encourage a "marginalist" ap-proach to the creation of competitive advantage. Instead of creating new competitive ap-proaches that would fundamentally alter the business system, most of the effort in Western companies goes into describing the existing game and "making the numbers add up." Competitor analysis as practised by most consultancies and business academics falls straight into this trap, claim Prahalad and

"If you manage by recipe your competitors can anticipate you," warn the two critics. "The West won't be able to compete with the Japanese unless it completely rethinks the con-

### Management abstracts

Direct mail strategems. S. R. Alpert in Business Marketing (U.S.), Mar 85 (9 pages). Two linked articles: (1) explores the difficulties of reaching corporate chief executive officers personally with direct response, and a highly successful approach which involved a holes in it, containing straw and chicken feathers and the mailshot (in a dirty envelope); the instructions were to return the response by carrier pigeon but, in case it had escaped, to use the pre-paid envelope. And it worked. (2) discusses and lists in detail more than a dozen techniques for attacking chief executives by direct mail; men-tions how to avoid mail screening techniques so as to achieve a better than twenty per cent response.

Innevation and marketing. B. Witcher in The Quarterly Review of Marketing (UK),

Jan 85 (10] pages).
Outlines the main "market pull" and "demand push" theoretical mode of new product marketing strategies, criticises the effectiveness of mar-keting of innovative ideas and processes in the UK. Points to the greater success of the Japanese with their longer-term approach, and calls for more research into innovation with marketing people being closer organisationally to research and development personnel.

Managing troublemakers. R. H. Kilmann in Training and Development (U.S.), May 85

(3 pages). Differentiates between objectors (well-intentioned deviants) and troublemakers (destructive individuals); discusses the damage the latter can do and their strong resistance to change; notes that any effort at organisational change will usually expose them, and sug-gests that a management-skills workshop, run by an external consultant, with subsequent feedback and follow-up sessions, can be effective in changing troublemakers' behaviour.

Why supervisors fail to discipline. E. L. Harrison in Supervisory Management (U.S.), April 1985 (5 pages). Discusses results of a survey supervisors attending agement development management

seminars to rate the importance of reasons for failure to impose disciplinary sanctions; finds the most important to be failure to document earlier infractions. belief that the action would not be supported by higher management, and uncertainty about the facts of the case. Briefly

looks at implications—mainly in training—for management.

Working on other people's premises. M. Everley in The Safety Practitioner (UK), June 85 (2½ pages).

Gives instances of types of work that involve an employee's working at other people's

working at other people's premises (eg TV servicing, lift maintenance); discusses the relative safety responsibilities mail; quotes an experimental of the employer, the customer, series of conventional mailshots and the employee; considers the which produced little or no response, and a highly successthe employee's duty when asked to carry out unsafe work by a customer.

The multiplier effect of good time management. A Sondak in Supervisory Management (U.S.), April 85 (4 pages). Shows that time management can be improved not only by

managers themselves, but by their subordinates—given that they are set good examples. In practice, despite positive intentions, many managers create time management difficulties for their staff by interrupting priority work, making every task "urgent," calling unnecessary meetings, and chang-ing priorities in mid-stream; suggests that, with team effort and understanding, time can be saved by all levels.

Hearing tests. P. Chambers in Works Management (UK), June 85 (4 pages). Reports the present state of

impending European legislation on noise protection for workers as a way of introducing audio-metry (hearing measurement); outlines the advantages for companies and employees, the equipment and staff requirements, and the difficulties of persuading employees to use ear protectors; throws in the odd technical term and a potted history of the law on noise, and adds a list of equipment suppliers.

A woman's place is on the sales force. R. Skolnik in Sales and Marketing Management (U.S.), April 1 1985 (4

pages). Reports on the employment of women in sales forces; dis-cusses salary levels (the suspicion being that they do of dealing with male sub-ordinates, travel, and family ties; pinpoints the computer industry as one that is looking for talented saleswomen, and glauces at female involvement in traditionally male industries, such as brewing.

These abstracts are condensed from the abstracting journals published by Anhar Management Publications. Liceused copies of the original articles may be obtained at £4 each (including VAT and p+p; eash with order) from Anhar, PO Box 23, Wembley HA9 8DJ.

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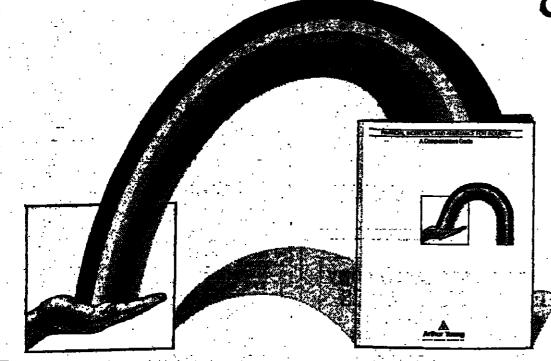
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# THE ARTS

Cinema/Nigel Andrews

# A cauldron of dead-beat ideas

The Black Cauldron Hail Mary, directed by Jean-Luc Coq an Vin, Directed by Claude Gulag, directed by Roger Young

Was it not Hermann Goering who used to say, "When I hear the world culture, I reach for my gun?" I reach for my gun figuratively speaking, when I hear the words "Legend has it..." at the beginning of a film. Ever since the world first fastened on Tolkien and the cinema realised that there was mileage in mythic whimsy, our screens have filled up with tales of quest and bravery in remote kingdoms. Characters with in-digestible names like Eggwork or Anthrax or Gerbil wage a ceaseless fight against evil. Invariably they are in quest of some talismanic object: it seldom matters what—a stone, a sword, a toasting fork—so long as the object is imbued with world-saving powers.

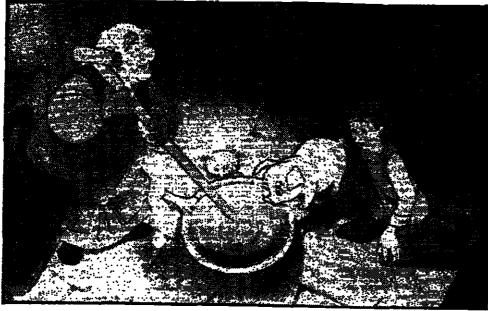
Invariably they are caught in the crossive between the forces of Dark and Light, which is myth-language for baddies and goodies. And invariably they tramp through 57 varieties of landscape, usually including a swamp, a sinister forest and a castle-topped mountain. This ing the dead Walt, creates a sense of movement and allows characters to say lines like "You will find the Knackered One on the Mount of

minutes to be the mythic braincrusher of all time. In the glories of line and colour (and some of the old Disney glory is recaptured here) a young pigrecaptured here) a young pigboy, a runaway Princess and a
gooey-eyed animal of uncertain
origin (it seems to be a squirrel
with a moustache) tramp across
the usual landscapes and boy, a runaway Princess and a goocy-eyed animal of uncertain with a moustache) tramp across the usual landscapes and attempt to destabilise the regime of the Horned King.

and owns a dead skeleton army. He wishes to rouse these warriors and make war on who-ever is available, but he can only do so with the aid of the "magic cauldron," a powerful cooking pot currently in the possession of three madcap Norns, Who will get the cauldron? Will hero and heroine nobble the nasty monarch?
And will they live — and reign — happily ever after?

like an ailing horse, even as we up

know it is dying under our feet.



Dallben (left), Taran and the oracular pig in "The Black Cauldron'

There have been no better swirls of colour and bravura Gothicism since the Disney heyday of Fantasia. But what price a rioting palette when the painter has nothing to paint? The trite journey through apres-Tolkien whimsy shows that the Disney studios desperately need skeleton army forever mourning the dead Walt.

The dull thud with which The Black Cauldron hits the Knackered One on the Mount of Moggledock" or "Brave is he who hazards the Swamp of Onan."

Disney's new animated feature The Black Cauldron took 10 years and \$20m to make and turns out—even at a modest 80 minutes to be the mythic brainfiance Joseph (Therry Rode) is suspicious of the latter fact and glum about the former, at least vis-à-vis his own desires. The business" to Joseph).

egime of the Horned King. has gone hopping mad about The H. K. lives in a castle this movie: not because it's an updated Nativity but because Godard has sprinkled it with frank language, colourfully

After one viewing the film

remains frequently incomprehensible: except as a sacred love counterpoint to Godard's profane love tale in First Name Carmen. Unlike some opaque directors, however, Godard's sheer fizz as a film-maker does encourage you to come back and search for more on a second or

What of Godard's fellow New Waver Claude Chabrol? His latest film Cop on Vin (formerly Poulet Au Vincigre) is one of those petit bourgeois black comedies that Chabrol used to whip up so well. Scandal in the small ance and blackmail! A police inspector (Jean Poiret, wry, charming, brutal when necessary) is puzzled by missing persons. A postboy stumbles upon dead bodies concealed in garden statuary. And, as always with Chabrol, we have a small army of supporting characters stuffed with greed or gossip, prurience or possessiveness, from Stephane Audran in rollic-ing form as the post boy's wheelchaired Mum to Michel Bouquet as a snooty-sinister local power-The French Catholic Church broker.

There are moments of sus shop sign that announces "Closed because of murder," frank language, colourfully or the egg-o-centric Inspector disreputable characters (including a seedy "Uncle Gabriel") and a great deal of nudity. Even diet ("I had my 30,000th egg so, it is hardly likely to attract the raincoat trade. For it is also Godardian in its brain-bending blend of elemental imagery omelette fails to blend the yolk can see moon) symbolic monnobble the nasty monarch? (sun, sea, moon), symbolic monard tage, wildly dotty soundtrack
— happily ever after?

At once strenuously vigorous in its animation and hopelessly formulaic in its narrative, this is the kind of film we will on, like an ailing horse, even as we will the film and the white. Comic froth and tage, wildly dotty soundtrack (melo) dramatic protein remain stubbornly apart and surges from a string quartet) the film eddies awkwardly between the two: it elicits now gasps, now giggles, but neither towel and black coffee to keep of them are very full-throated.

Gulag begins as a thumping slaughter.

Moscow where young U.S. sports journalist David Keith is entrapped by the KGB with a little help from a phony "dissident"—and forced to buy back his freedom by signing a false confession that he is a spy. He signs, only to find himself bundled not on to the first plane to Washington but the first train to Siberia.

So far so tingling. The climate of panic is not forced but grows like a tree creeper around our hero, slowly, rust-lingly up from the ankles. But once in the frozen nowhere its grip loosens, undone by dubious Russian accents, the tendency for everyone to behave as if they were in Colditz rather than up concerts), and Malcolm McDowell in Messianic white hair and beard like a slimline Ken Russell, as the British prisoner with whom Keith makes an escape bid. Dan Gordon wrote the screenplay, Roger Young directed and someone should have advised on

The film is a masterpiece of realism, however, compared with American Warrior. Here we are in the Philippines where a U.S. army base is having a busy time fighting a gang of Ninjas. No normal thugs or assassins these, as they dance on to the screen as they dance on to the screen kicking their legs and arms in perfect choreography; more like Fred Astaire and Ninja Rogers. Can the U.S. cope? Will the hero (Michael Dudikoff), who alone can kill dozens at a time, triumph? Someone should surely take care of Moviedom's alarman and transact Rombold. ing new trend towards Ramboid super-killers for whom any population east of Bangkok, it seems, is ripe for multitudinous

David Gordon/Sadler's Wells

# Don Carlos/Coliseum

#### Max Loppert

The English National Opera has brought back its Don Carlos after an interval of seven years. It was never a very impressive show; and now, though David Pountney has reworked Colin Graham's production to remove some of the more gory trivialities from the auto-da-je, current control of lighting and crowd movement seems in some ways even less certain than ways even less certain than before (the opening is a shambles). Yet for all this, wednesday's performance afforded an elevated, profoundly stirring experience. For Don Carlos—of all grand-operatic tragedies the most painful in contemporary "relevance"—denicts in its forepainful in contemporary "relevance"—depicts in its fore-ground conflicts of ideals, emotions, personal and civil ambition; and by a cast con-taining several mature, serious selflessly expressive singing-actors, those conflicts were realised with genuine Verdian

so. Perhaps Miss Barstow now pitches the hopeful young girl of the opening scene at too fast a flutter—these days, in any case, Barstow opening scenes tend to be uncomfortable. But as the drama progresses, she grows with it, in stages of hurt, loss, suffering made heart-rendingly poignant, to achieve a finale of incomparable regality and magnificence of soul. Other Elisabeths of my experience have sung the role more meltingly; no other commands this stature. And vocally, the performance is in its own special way a master-piece—of musicality, tonal sensitivity, dramatic intelligence (with Elisabeth's share of Andrew Porter's superb trans-lation more audible than this singer has ever before managed it).

Posa's role, has done nothing eloquence.

Posa's role, has done nothing
Elisabeth de Valois has long of this calibre since first springbeen one of the crowning ing on to the British scene with

military, erect, his fire contained, then nobly flaming; and his baritone, which has filled out admirably, possesses a cerity, ardour, and recurring natural aptitude for Verdi that technical uncertainty, with contrasts vividly with the strong phrases and slack. In tuned ones coming side by said soprano's triumph over recalcisoprano's triumph over recatch-trant vocal material. As Philip, Richard Van Allan provides another important contrast, for it is the work of an immensely accomplished stage artist who has carefully tailored the role to his vocal limitations. The tailoring is expert, indeed consummate; and though the implacable autocrat may lose commensurately in outline (especially in confrontation with John Tranter's raw, fierce Inquisitor), other aspects of the

The level reached by Linda Finnie's Eboli is conspiculously lower. She is a real dramatic mezzo, and her ability to set the

character come movingly to the

achievements of Josephine Barstow's career; luckily, it remains
Kent Opera. His bearing is come; but she avertices the emoting fearfully—less, in the case, would mean a lot more.

John Treleaven in the title role is a frustrating mixture of the Ethna Robinson's Thibault and Nicola Bowie's Counters of Aremberg make their mark the monk is a weakness.

Mark Elder's conducting of the great work has matured splendidly—the range of expression is wide, the grasp of where and how to tighten or relar the pace masterly, the long line of the music firmly held in view. The edition used is the familiar late "composite," with a not quite-complete Fontainebless opening. I wish the ENO would return the Elisabeth-Eboli exchange of masks to its proper, dramatically significant plans and I regret the cut of the marziale in the final scene.

# Crimes in Hot Countries/The Pit

Michael Coveney

The Howard Barker season official (the place is a desert) in the Pit in the Barbican opens and an effete ex-pat who seems with a play commissioned by the with a play commissioned by the Royal Shakespeare Company seven years ago, an elliptical, irritating but not altogether worthless piece about English colonialism and free enterprise in an unspecified foreign clime. Stewart Laing's sunbaked set exploits the opened back wall first used in the Bond season, and offers a canvas sanded floor, brilliant blue sky and cream verandahs and architectural mouldings.

A group of prostitutes led by Alfred Hacker, an ingenious profiteer, dealer in coffins and food supplies, are embroiled in

is struggling to enumerate his pillars of wisdom. This last character is called Pain and he rides a motorbike. Time and place may thus be

deduced, but Barker is less con-cerned with details of the British mandate in Egypt after the First War and the collapse of the Ottoman Empire than he is with putting the boot, surprise, surprise, into the English class system. The governor is a defence by Ian McDiarmid of Crumbling remnant, Tallboy (Norman Henry), with a sexually voracious daughter, Erica, who goes topless for Toplis (the insert making him classes). I hope the next two plays incolors after making him classes with the section of Barker, the juggler) after first making him show us the best of Barker, the remove his clothes at gunpoint. playwright of the Prix Italia

under pressure as Erica cele-brates her "little desire" in preference to honouring his dead mother. Her father then blows Porcelain's brains out.

and Victory. Perhaps a segund designed to make out a resound-ing case for him should have included one of those plays in the meantime there is a lot of

shrouded in mystery, social schoolboys in pyjamas, and set gatherings pregnant with coded motivation and nonsensical Edwardian dummy and a diple-eruptions. This is all very fine matic dinner that echo earlier the sectors and the profor the actors—and the programme contains an eloquent David Hare. Underwear comes
defence by Ian McDiarmid of
Barker as an actor's playwright
—but not much fun for the

Transport of the contraction of

features a juggling magician, an remove his clothes at gunpoint, playwright of the Prix Italia colonial Intelligence agent called Por-Nicholas Woodeson's delicate radio play Scenes from an sex-mad celain posing as a Water Board agent Porcelain also cracks Execution, of Claw, Stripwell bonkers.

The play and the performance have an intermittently visceral power, but Bill Alexander's production leaves long passages shrouded in mystery, social gatherings pregnant with coded gatherings pregnant with coded pieces involving an over-dessed pieces involving an over-dessed. Ian McDiarmid as Hacker, Paul Freeman as the gimlet-eyed con-jurer and Maggie Steed having a high old time as the rampan: colonial daughter who starts off sex-mad and ends up plain

# Five-Finger Exercise/Harlow

**Martin Hoyle** 

The enterprising Cambridge on the pill).

Theatre Company is mounting a characteristically interesting play's mechanics as a trific too brace of plays for its autumn schematic. Like Pasolini's tour. The first great success from the author of Equus and newcomer, a young German Amadeus moves on to Croydon, Warwick and the home base at the Arts Theatre, Cambridge.

Yet beneath the contrivances being joined at the end of the

being joined at the end of the month by Ibsen's Rosmersholm. In the event, Peter Shaffer's In the event, Peter Shaffer's 1958 hit has dated. Not, as one might have supposed, for reasons of class. If anything, the self-made tycoon's philistine contempt for arty son and culturally famished wife strikes an uneasily loud chord in Britain today; and there are still country weekend hideaways bulging with chrome and glass furniture, and sets of the production. furniture and sets of the Encyclopaedia Britannica (I mirably avoids cuteness, a con-

have reservations about the mulberry-washed walls with which Dermot Hayes's sets remind us of the bijou's rustic origins.) And tightly-knit families still chafe at their nearest and dearest's raw edges. No, the play has dated because it fails to convince on its own terms. Despite being described as a tribe of wild cannibals —

between us we eat everyone we can," the Harringtons's main fault is self-dramatisation. Mother's aspirations to gentility through her much she freezes into outrage when vaunted French blood (a good, the young tutor confesses he accurate touch) emerge as faintly ludicrous. Her son's flouncings and mopings are self-indulgent even by the standards of Cambridge men. And the 15-year-old daughter's articles to the standards of the standards less prattle evokes an almost impossible middle - class less prattle evokes an almost illusions as she rises stiffly, as impossible middle - class in pain, suddenly older. innocence (today she would be Chekhov awaits her.

Yet beneath the contrivance there is truth about parent-child relationships. "You must for-give your parents for being average," says the German tutor, improving on Wilde; and adolescent exasperation at leav-ing them behind is well brought out—though Linus Roache's throwaway diction belongs to the new classlessness as yet un-born in Clare Davidson's 1950s

siderable feat. After a drily off-hand and underpowered beginning, Allan Mitchell's businessman rises to the pain and bewilderment of the final cathartic scene; and Michael Hadley's German is beautifully restrained in action and accent Sylvia Kay's Louise carries the play. Gushing, genteel, play-ful — those Cossack-Empress games with her son are as em-barrassing as the Squirrel-Bear skittishness of Look Back in Anger two years previously looks on her as a mother. A moment greeted as broad TV sitcom (good to see so many young people in the Harlow Playhouse) takes on the ugly aspect of shattered middle-aged

# Arts Council gears up for battle

"This is potentially far and year on the arts. It has been away the most serious period given the main task of bridgthat the Arts Council has faced in the 40 years of its existence," according to Sir William Rees-Mogg, chairman of the Arts

Council yesterday. He was introducing the council's annual leaving a yawning deficit of report for 1984-85, but all his concern was about the future. be gauged from London's South Bank. The South Bank Board,

The Arts Council is gearing up itself, and the arts world, for a battle with the Govern-ment over the size of its grant for 1986-87. It has asked the Government for £161m, but knows that it is quite possible ter the South Bank next year: that it might receive only the Government has promised £123m — the sum that the Gov- just £5.95m. If, for prestige ernment has committed itself to reasons, it gives the South Bank

William pointed out, the gap between what the Arts Council requested and what it received has been fairly small. For all the hysterics of its clients they have usually received around their previous years grants, plus inflation, give or take one or two per cent. But this year the gap between the asking and the receiving could be 12 per cent, which would mean disas-ter for many arts organisations. To meet the crisis the Arts Council announced yesterday that it could no longer guaran-tee to give clients a year's notice of termination of subsidy, a pledge made in 1981. The sidy, a pledge made in 1951. The situation for 1986-87 has been made much worse by the abolition of the GLC, and the other metropolitian councils. The Arts Council has estimated that they spent a minimum of £335m a

ing the gap, but it has only been promised £16m by the Govern-ment to make good the deficit. The scale of the problem can

the Arts Council funded quango formed to take over from the GLC, announced this week that it will need £11.5m to adminiscash for the rest of the country.
Well over 500 arts organisations, many operating in the inner cities, stand to lose subsidy with the disappearance of the GLC and the mets. They range from the National Theatre and the English National Opera to small ethnic groups. Unless there is a dramatic change of heart by the Government the Arts Council will be given what it considers to be a quite inadequate sum to support these clients. By taking a strong pub-lic line the council will hope to put pressure on the Government; but if it falls it would be hard for Sir William Res-Mogg not to offer his resigna-tion. In the event the Governminimum sum needed to avoid

\$

4

Antony Thorncroft

The architects will be invited to work for three months to the Gallery's outline brief to pre-pare ideas and proposals for a

new building to incorporate gal-leries for the early Rennaissance

paintings and an extensive range of public facilities, in-cluding a lecture theatre, infor-

Architects shortlisted for National Gallery

extension The trustees of the National Stirling, Michael Wilford Asso-

Gallery and the three Sainsbury ciates, and Robert Venturi of

building, have announced a (U.S.).

Cobb (U.S.), are: Harry Cobb (U.S.), Colouboun and Miller, Jeremy Dixon with the Building Design Partnership, Piers Gough of Cambell Zogolovitch Wilkinson and Gough, James Stirling of James 1986.

# Clement Crisp

David Gordon and his Pick

Those prospective visitors to

Up company appeared on Sadler's Wells who have unfinished socks or tiny garments to complete, could happily season and started the proceedings in unpromising manner with Nine Lives. This, like the some progress of this piece, two other pieces in the progress of the progress of this piece, while also ignoring the accompany appeared on Sadler's Wells who have unfinished socks or tiny garments from the prospective visitors to central duet for Mr Gordon and cation of Jewish immigrant Miss Setterfield—whose clear presence and mature grace are among the chief rewards of the evening—and a finale which studiously avoids the music's vivid rhythms. It is innocuous, while also ignoring the accompany appeared on Sadler's Wells who have unfinished socks or tiny garments for could happily among the chief rewards of the evening—and a finale which studiously avoids the music's vivid rhythms. It is innocuous, while also ignoring the accompany appeared on Sadler's Wells who have unfinished socks or tiny garments for complete, could happily among the chief rewards of the evening—and a finale which studiously avoids the music's vivid rhythms. It is innocuous, while also ignoring the accompany appeared on Sadler's Wells who have unfinished socks or tiny garments for complete, could happily among the chief rewards of the evening—and a finale which studiously avoids the music's vivid rhythms. It is innocuous, amiable enough, and is remarkthe procedular and mature grace are among the chief rewards of the evening—and a finale which stage property—in this case a vivid rhythms. It is innocuous, amiable enough, and is remarkthe procedular and mature grace are among the chief rewards of the evening—and a finale which stage property—in this case a vivid rhythms. It is innocuous, amiable enough, and is remarkthe procedular and mature grace are among the chief rewards of the evening—and a finale which stage property—in this case a vivid rhythms. It is innocuous, amiable enough, a two other pieces in the pro-gramme, is a recent creation, panying fragments of cowboy but as with some of his earlier songs. works it is obsessive about The The succeeding Offenbach

Mr Gordon appears first with due for 'cellos, and, with the a folding chair and involves stage cleared of furniture, himself with it at length and allows the company to dance. Mr Gordon appears first with duo for 'cellos, and, with the stage cleared of furniture, himself with it at length and no little tedium. The members of his company join him in a gentle succession of canons, richly unenterprising sequence of chair-borne games whose culmination finds Valda Setterfield, seated, of course, knitting.

Mr Gordon eschews the words and springy variation, but the choreography" and "design." allows the company to dance. Their movement is simple, with a gentle succession of canons, mirror devices, little echoes of chair-borne games whose culmination finds Valda Setterfield, seated, of course, knitting.

Mr Gordon eschews the words and springy variation, but the choreography" and "design." and "visual devices" to qualify what we see. In My the heavily swathed Miss Setterfield and Mr Gordon of the theme is family portraiture, smacks more of window-dressing with raucous Klezmer music as in a fabric showroom than seated, of course, knitting.

Suite is set to that composer's

amiable enough, and is remarked even as means of transport able for the singularly hideous clothing of the cast who appear across the stage on them. There to have been dressed by their bitterest enemies.

across the stage on them. There are hints of folk dance, and Miss Setterfield has a joyous Mr Gordon eschews the words and springy variation, but the choreography " and " design."

NOTICE OF REDEMPTION

#### **QUEENSLAND COAL FINANCE LIMITED** Floating Rate Notes due 1996

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organiser, and Anthony Smith, director of the British Film Institute, announced the biggest London Film Festival yet at the National Film Theatre yesterday.

The mixture of companied as the Coethe Institut

shortlist of six architects who

are being asked to prepare design proposals for a gallery extension on the Hampton site.

The practices shortlisted after an extensive search in Britain,

Europe and the U.S., are: Harry Cobb (U.S.), Colquboun

West End cinemas, the ICA Institute, as well as Capital and the refurbished Everyman, Radio, Thames Television and and the refurbished Everyman, Hampstead. Unique among international festivals, the LFF also goes on tour, visiting 15 major centres in Britain. More than 160 titles include children's films in the Junior LFF sponsored by Capital Radio, more than 20 British works, selected from a record submission of 43 to mark British Film Year, and the sixth year of Thames Sitents. This year's offering. The Big Parade, will be accompanied by the English among the more eagerly awa's spectacular "vision" of King Lear, Ran, Michyl Cimino's Year of the Dragot, and Peter Greenaway's following tract, A Zed and Two Noughts.

London film festival Derek Malcolm, festival Chamber Orchestra in a score

day.

The mixture of commercial as the Goethe-Institut. the eight venues that include the consistent support of the consis The organisers paid tribute to the consistent support of the Institute, as well as Capital





[ مِكَنا مِن لِأَصِل ]

## THE ARTS



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#### Theatre

#### LONDON.

Sweet Bird of Youth (Haymarket): Lauren Bacall eleganity decadent as Tennessee Williams's doomed movie queen. Harold Finter's direction and Elleen Diss's evocative designs con-tradict the play's logatided reputa-tion and place the central tussie benon and place the central tussle between the star and her gigolo (Michael Beck) against a detailed convex of small town Southern venge-fainess by the sea (639632). Colses Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blakemon's brilliant dispersion of heal-

more's prilliant direction of backstage shemanigans on tour with a third-rate farce is a key factor.

(and sees).

tariight Express (Apollo Victoria):
Andrew Lloyd Webber's rollerakating folly has 10 minutes of Spielberg
movie magic, an exciting first half
and a dwindling reliance on
indiscriminate rushing around. Dis-

neyland, Star Wars and Cats are all influences. Pastiche score noda to-wards rock, country and hot gospel. No child is known to have asked for his money back. (834 6184). 42nd Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbech, but David Mer-nick's tap-dancing extravaganza has been repturously received. Ameri-can Clare Leach is a real find as Peggy. Sawyer, and Margaret

Courtenay has a field day (838 8108).

Me and My Girl (Adelphi): Sleek, efficient and enjoyable revival of Britain's biggest war-time musical hit with Robert Lindsay in the Lupino Lene role emerging as the best new musical star since Michael Crawford. (836 7611).

Barnum (Victoria Palace): Michael Crawford returns to London with this breathtaking performance as the circus impresario, adding one or two new tricks in a likeable mer-ingue of a musical (8341317, credit cards 8284735).

cards \$28 4735).

tampers (Aldwych): Confident almost soher revival of Tom Stoppard's glittering comedy of love, murder and linguistic mayhern among the logical positivists, with Paul Eddington a more earthbound George Moore II than was Michael Hordern, Felicity Kendal delightful as his retired musical comedy wife. Peter Wood directs. (836 6404, cradit cards 379 6233).

379 (233).

Breaking the Silence (Mermaid): Another RSC transfer, of Shaphen Poliakoffs account of his family's emigration from post-Revolutionary Russia, Alan Howard succeeding Daniel Massey alongside Jenny Agutter. Ingeniously set in an Imperial actions of the property of the propert rial railway carriage. (236 5568).

#### PARIS

Julius Consar. Robert Hossein directs a Hollywood scale production of Shakespeare's play with ultra-modern sound and light techniques. Palais des Sports, Porte de Ver-sailles (5329057, 8284010).

#### METHER! ANDS

Nijmegen, Schouwhurg: Ik Jan Cremer, rock opera charting the amorous exploits and general hell-raising of the Dutch enfant terrible of the 1960s. Superb choreography and sets, expellent cameos, and an indefinitional in the sets, excellent cameos, and an in-defatigable Peter Tuinman in the title role. (Fri, Sat) (221100). Anahem, Schouwburg: Jango Edwards with his imaginative clowning in Nightmirrors, tales from the twit, "an evening of humour and horror." (Mon) (422721).

#### **NEW YORK**

As is (Lyceum): The first play about AIDS makes gestures toward the whole community the disease affects and focuses effectively on the victim and his protective lover; but this Circle Rep production also has distracting artistic touches to patch over the play's lack of development once the disease is diagnosed. (239 6200).

(239 5200).

I'm Not Rappaport (American Place):
A better title might have been Mensch on a Bench for Herb GardMensch on a Bench for Herb Gardko Baisho. Theatre Apple, Shinjuku. ner's touching, funny and invigorating play about two oldsters embodied in Judd Hirsch and Cleavon

Little who almost conquer the world when they think they are just bickering with each other. (8694731).

# Cats (Winter Garden): Still a sellout, Opera and Ballet Trevor Nunn's production of T. S. Eliot's children's poetry set to tren-dy music is visually startling and choreographically feline, but classic only in the sense of a rather staid

and overblown idea of theatricality. (239 5262). 42nd Street (Majestic): An immode celebration of the beyday of Broad-way in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropri-ately brash and leggy hoofing by a large chorus line. (977 9020).

#### CHICAGO

everament Inspector (Goodman): The Gogol wit directed against buresucracy has enjoyed a sympathetic hearing in America the latest contribution being this season-or directed by Frank Galati with Keith Reddin starring with L. M. Hobson. Ends Nov 10.4433810).

The Good Person of Szeckwan (Are-na): Garland Wright directs Ralph Manheim's translation of the Brecht parable in this season opener for an outstanding repertory company. (488 3300).

2075583).
Chorus Line: a much accisimed revival by Shiki company, of Catsfame. Nissei Theatre, near Imperial Rotel and Ginza. (3204000).

ture to heighten the dramatic ac

SWITZERLAND

sents a cross-section of the styles and themes of the period, from the veneration of the Napoleonic legend to exotic Orientalism and the Italian

or excus: Orientaism and the Italian picturesque. Ends Nov 6. Hetropolitam Museum of Art: The traveling show India, arrives from Washington with 350 examples of six campaies and numerous flourishing arrives from the campaign of the campai

ing periods of art and craft. Ends

century opera production, with prints, drawings and scale models il-lustrating set design, costumes, stage machinery, and the use of ges-

# PARIS

La Belle Hélèse conducted by Yan Pascal Tortelier/John Burdekin in Jerome Savary's production with Sandra Brown/Madelyn Renee in the title role, Jerome Pruett' Georges Gantier as Paris and Marie-Christine Porta/Veronique Dietschy as Oreste inaugurates the new season at the Opera Comique.

(2980611).
The Gospel at Colonus produced by Lee Breuer, music composed and conducted by Bob Telson: the Oedipus story interpreted by gospel songs. TMP-Châtelet (2334444).

Stantsuper (\$324/2655): The Marringe of Figaro conducted by Schnadder with Popp, Wise, Lilova, Gyldenfeldt, Krause, Furlanetto, Wildhaber, Mazzola, Nitsche, Stajne (Fri, Tue). Donkretti's Marie Stuarda conducted by Fischer with Baltza, Gruberova, Gonda, Hadley, Rydl, Helm. (Sat). Tannihäuser conducted by Mind with Hass, Randova, Sima, Sotin, Koenig, Tichy, Franz Wächter, Wimberger, Aichberger, Stajne (Sun). Tosca conducted by Kout with Savora, Aragall, Sarabia, Maly, Kunz, Evangelides, Kim, Sfiris and The Vienna Boys Choir (Mon). Daphnis and Colleb by Ravel and Neumeier conducted by Schirmer with Gaugusch, Kimbauer, L. Karl, F. Wilbelm, and The Frebird by Stravinsky and Neumeier conby Stravinsky and Neumeier con-ducted by Schirmer with Jaska, Scheuermann, Tichy (Wed). Ariadne

and Naxos by Richard Strauss conam name of nichant Strauss con-ducted by Hollreiser with Walther, Wise, Hass, Steinsky, Hintermeier, Gyldenfeldt, Kunz, Berry, Koenig, Aichberger, Zednik, Kun, Sramek, Tisha, Brannalide, Marrala Wild.

#### **WEST GERMANY**

Berlin, Deutsche Oper: There will be Berlin, Deutsche Oper: There will be two Wagner operas this week, Die Walkfire and Slegfried. The Götz Friedrich productions have Rene Kollo, Simon Estes, Katzrina Li-gendza, Julia Varady and Cheryl Studer in the casts. Also The Magic Flute with Elife Hobarth and Bengt Rundgren, Lucia di Lammermoor with Winifred Faix Brown and Peter Gougaloff, and Der Wildschütz. Iamburg, Staatsoper, Ein Maskenball has Natalia Troitskaya, Giacomo

has Nataha Poutskaya, Giacomo Aragall and Juan Pous in the main parts. Kurt Moll, Edith Mathis and Rachel Joselson star in The Marri-age of Figaro, and Heana Cotrubes, Neil Shicoff and Ruggero Raimondi m Faust.
Cologne, Opera: The television produc-tion of La Gezza Ladra is perfor-mend this weak with Carlos Feller and Janice Hall. Also, performances

of Lucia di Lammermoor and Die

#### NETHERLANDS

Amsterdam, Stadsschouwburg. The Netharlands Opera production of Tchaikovsky's Pique Dame (in Rus-sian) directed by David Pountney. The Netherlands Philharmonic con-

from Opera Forum, directed by Ru-dolf Sauser and conducted by Au-

gust Haltmayer (Wed) (422741). The Nederlands Dans Theater with a he reneranns bans header with a Brahms symphony by Lar Lubo-vitch, and Jiri Kylian's Heart's Labyrinth I (Schönberg/Webern/ Dvorak) and Dream dances (Berio). (Thur) in Utrecht, Stadsschouwburg (310241).

#### LONDON

English National Opera, Coliseum:
Further performances of two ENO
Verdi productions - Don Carlos,
with Josephine Barstow, John Treleaven, Linda Finnie, and Jonathan
Summers, and the farmers Summers, and the famous New York Mafia-style Rigoletto. Also on the schedule: the under-the-mark revival of Cosi fan tutte, with Maldwyn Davies' Ferrando the best Mo-zart singer on offer.

#### ITALY

Milen: Teatro alla Scala: A Homage to Carla Fracci – a programme to celebrate the 30th anniversary of the La Scala debut of Italy's prima ballerina (Tue) (80 91 26).

Commander Teatro Communale: opera see-

Scala debut of Rary's prima balleri-na (Tue) (809126).
Rozence: Teatro Comunale: opera sea-son opens here with Gounod's Faust produced by Luca Ronconi with scenery and constumes by Pier Lui-gi Pizzi and conducted by Reynald Giovanetti. The cast includes Albertriovaness. The cast member Americo Cupido, Samuel Ramey, Jean Philippe Lafont and Aracelly Haengel and it is sung in the original version. (Sun, Thu) (2779238)

Hallet Cast headed by Jen Blinkhof,
Henk Smit, Elsine Bonazzi and Heiena Düse (Tue) (242311).

Arnhem, Schouwburg, La Traviata

Arnhem, Schouwburg, La Traviata

ny. (Sat, Tues, Wed) (2779238) nale: a programme of ballet by the Maggio Musicale Florentino compa-ny. (Sat, Tues, Wed) (2779238)

#### **NEW YORK**

Metropolitan Opera (Opera House): Neeme Jarvi conducts the premiere of Angust Everding's production of Khovanshehlna with Natalia Rom as Emma, Florence Quivar as Maria and Wieslaw Ochman as Prince Golitsyn. Der Rosenkavalier is conducted by James Levine with Gwyneth Jones and Kathleen Bettle. The week also has Jennia conducted by Vaciny Neumann of the Czech Phil barmonic and Falstaff in Franco Zefferelli's production conducted by James Levine. Lincoln Center.

(382 6000). lew York City Opera (NY State): I Puritani, last seen in 1982, features Frage Robinson singing Elvira, con-ducted by Edoardo Muller. The rest of the week includes Carmen, Lucia di Lammermoor, The Magic Flute and La Traviata, Lincoln Center.

and Sherrill Milnes, conducted by Bruno Bartoletti and staged by Antonello Madan Diez. The season also has in repertory Madame Butterfly with Anna Tomowa-Sintow in the title role conducted by Miguel Gomez. Martinez, as well as Samson, Anna Bolena, La Traviata, I Capuleti e i Montacchi Dio Moletaccinear and Montecchi, Die Meistersh La Rondine (332 2244)

## Exhibitions

ITALY SS. Annunziata) - The Etruscen Civilization: This is the first of a long series of exhibitions to mark The Year of the Etruscans, and shows the results of the most recent research into the Etruscan world. A eful history of this civilization's birth, development and decline.

Milea: Palazzo della Triennale: Aifa Romeo: A velebration of the company's first 75 years with photographs of key figures from its past, with project designs and vintage models. Ends Oct 30.

Palme: Palazzo della Raciones Haller. Ends Oct 30.

Padua: Palazzo della Regione: Halley and Giotto in the Cosmos. The first

stop for an exhibition celebrating Halley's comet. Examples of the so-phisticated instruments used to phisticated instruments used to trace and examine the comet. Ends restor: ca' reszonson warsaw 1764-1830: From Bellotto to Chopin, A vast exhibition in a splendid set-ting, organised by the Polish Minis-try of Culture and the Italian Insti-tute in Warsaw; paintings, drawings, architectural designs, jewellery and American lant by Polish unsaying.

furniture lent by Polish museums, from a troubled, but highly creative.

period of Warsaw's history. Ends

- B

is up

Madrid, a retrospective of 200 paintings, waxes and drawings by master

of Cubism Juan Gris (1887-1927) on loan by private collections and mn seums of Europe and the U.S. The exhibition offers for the first time in Spain and Europe a good assembly of Gris's best works. Biblioteca Na-cional, Sala Picasso, Paseo recoletos 22. Until end of Dec

Picasso Museum: The 17th century Reases Museum: The 17th century Hôtel Sale, sumptimently restored, provides a fitting home for the world's largest collection of Picas-so's work. It comprises 203 paintings, 158 sculptures and more than 3000 drawings and engravings; 18 collages and 88 pieces of ceramics. It is completed by Picasso's own collection of paintings by his friends, such as Braque and Matisse, or by artists he admired, Renoir, Canne, Douanier and Rousseau Müsée Picasso, Hôtel Salé, 5 rue Thorigny, Paris 3e (2712421). Closed on Tuesdays.

#### WEST GERMANY

Milnich, Villa Stock, Prinzepsantenstr 60: A retrospective of the works of Otto Dix with 472 oil paintings, aquarelles, graphies and drawings from between 1891-1969. It is the biggest assembly of his works ever. Ends Oct 27.

Hidesheim, Römer und Pelizaeus-Museum, Am Steine 1-2: Nofret, the exhibition covering Women in Rgypt For its last stop in Germany, the exhibition will carry 177 pieces,

an extra 96. Some 30 objects are on loan from the Egyptian Museum in East Berlin. It is the biggest assem-bly of Pharoan Art. Ends Nov.

Art From The Stone: Art Ethography from its origins to the present. Th from its origins to the present. This exhibition shows the versatility of nearly 200 years of European lithography. Most artists seem to have had a try at drawing or painting "on the stone" – from Goya to Picasso, Delacroix to Chagall, Toulouse-Lantrec to Miro, Munch and Beckmann. The exhibition explains how lithography began, how it is done, and goes a long way to explain its continued fascination for artists. At the Albertina until December 3. Albertina until December 8.

### BRUSSELS

rish Netherlands 1500-1700: Renaissance and Baroque, Flemish and Spanish painters — Valázquez, Ru-bens, Murillo, Van Dyck, El Greco. Palais des Beaux Arts. Ends Dec 22. Goya: paintings, drawings, etchings from Spanish public and private col-lections. Müsee Royale des Beaux Arts. Ends Dec 22.

## NETHERLANDS

Amsterdam, Stedelijk Museum: Poe-ters illustrating the work of a new generation of Japanese designers and art directors. Ends Oct 27. The Hague, Gemeentenuseum. A ishing p glimpse behind the scenes of 18th- Jan 5.

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New York Philharmonic (Avery Fisher

### CHECKGO

peintings by Alexander Hogue cap-ture the American Southwest through dustbowl and prairie in highly stylised evocative works from the 1820s to the present. Ends Chicago Symphony (Orchestra Hall): Ivan Fischer conducting Rossini, Schubert, Bertók, Kodaly (Thur). Burnch College Gallery; a collection of 19th-century French drawings and watercolours on tour from the Am-sterdam Historical Museum pre-(4358122).

Visuna Nö Teakünstler Orchestra con-ductor Heinz Wallberg, Rudolf Buchbind, piano. Schubert, Bes-thoven, J. Strauss. Yuport Kani Ho-ken Hell, Gotanda (Mon). (980 6060: 984 0101)

rizie Pellini, all-Bach pizno recital. Royal Festival Hall, Mon. (9283191).

### Music

New York Philastroesic (Avery Fisher Hall): Giuseppe Sinopoli conducting, Hei Kyung Hong sopranc: Lou Salome Stite (world premiere), Wagner, Brahms (Tue); Ginseppe Sinopoli conducting; Lorse Munroe, cello. Wagner, Schumann, Tchaikovsky (Thur). Lincoln Center. (6742424).

Intional Symphony (Concert Hall):
Mstislav Rostropovich conducting:
Sibelius, Salkmen, Beethoven (Tue);
Rostropovich conducting; Anne-Sophie Mutter, violin, Schumann,
Giazonov, Mendelssohn, Dukas
(Thur) Kenned, Contro (1981) (Thur). Kennedy Center (7858110)

TOKYO

Radio Chamber Orchestra of Poland, conductor Agnieszka Duczmał; Krzysztof Jakowicz, violin. Res-phighi, Bach, Tchalkovsky, Szyma-nowski/Duczmał. Queen Elizabeth Hall (Mon) (9283191).
Gala concert in celebration of the life of Sir Robert Mayer. BBC Symphony under Sir John Pritchard, Ida Händel, violin; John Lill, piano; Sa-

rah Walker, mezzosoprano. Wegner, Schubert, Beethoven, Mahler, Brahms. Barbican Hall (Mon) (638 8891)L (635 6391). Academy of Ancient Music, Winches-ter Cathedral Choir: Händel's Alex-ander's Feast. Queen Elizabeth Hall (Wed) (928 3191).

Rome: Auditorium of Via Della Conciliazione: three works by Lingi Nono: Pierre, Guat ai Gelidi Mostri, and Diario Polacco N2 conducted by Roberto Cecconi with sopranos In grid Ade, Monika Bayr Ivenz and Monika Brustmann; contraltos Elisabeth Laurence and Susanne Otto, and electronic sound effects. (Fri). Courad Leitner conducts Cherchio's Amora. Tutino's La Foresta Incan-tata, and Schönberg's Pelleas and Melisande. (Sun) (654 1044) Teatro Olimpico: music by Marais, Schu-bert and Shostakovich played by Jurtj Bashmet (viola) accompanied by the pianist Michail Muntian (Wed) (393304). Teatro Ghione; the planist Alessandro Drago playing music by Alessandro Drago playing music Mozart, Brahms and Beetho

(Thur) (6372.294)

#### **SALZBURG CULTURE FESTIVAL**

The Salzburg Culture Festival (October 12 - November 10), established in 1972 to provide an autumn programme of sur-sic, opera, theatre and folklore with Austrian and international artists, offers several interesting performances this year.

There are 25 performances including productions of Puc-cini's Tosca and Bellini's Norma, both in the large Festival

On October 22 a memorial

#### Berg will include works until now rarely performed. On Oc-tober 29 the Warsaw Philhar-monic Orchestra will perform several works including Tchaikovsky's First Piano Concerto and Stravinsky's Sacré du

Printemps ballet.
Tobias Reisen's Das Jahr Des Herrn (The Year Of Our Lord), a folklorie pageant from Salzburg with choral music and dance, will be performed on November 8, 9 and 10 in the

Orchestre Colosne, conducted by Jean-Paul Penin, with Raphael Orozco, Bruno Pasquier. Wagner, Liszt, Berlioz. (Mon) Salle Pleyel

### NETHERLANDS

Amsterdam, Concertgebouw. Recital Hall: Mitsuko Shirai, soprano, ac-companied by Hartmut Höll. Haydn, Schuhert, Schumann, Webern, Wolf (Tue). Lamethime piano recital by John Shirley (West) Children's con-John Shirley (Wed). Children's con-

# cert (Thur, 2 & 4). Netherlands World Service Orchestra, with Jean Decroos, cello; Daniele Dechenne, piano; Koos Verheul, flute; Jan van der Meer, piano. Rönigen, Bosmans, Steup, Smit (Thur) (718345).

Franz Schubert Quartet: Beethoven, Berg, Mozart. Musikverein, Brahms Saal (Mon). Vienna Symphony Orchestra, conduct-ed by Gary Bertini, with Sylvia Greenberg, soprano. Hindemith, Mahler, Musikverein. (Wed, Thur).

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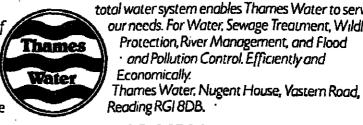
the east of London. It can process up to 600 million

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Friday October 11 1985

# **Obligations** of employers

job prospects of employees whom they make redundant dustries. through plant closures? The issue is highlighted by issue is highlighted by Courtaulds' announcement of a new job creation initiative for an area of North Wales where two of its factories were recently shut down, with the loss of 1,100 lobs. The company two of its factories were re-cently shut down, with the loss of 1,100 jobs. The company, which once employed as many as 9,000 people in the area, was strongly attacked by local politicians and Members of Parliament for its handling of the closures. The management misjudged the reaction to the closure decision and the new initiative is to some extent a belated recognition that some. belated recognition that some-thing more was needed; the plan includes funds for the con-version of the two sites and the secondment of a senior mana-ger to the local enterprise agency

Some critics would like the company to go further, perhaps providing funds directly to the local authorities for the creation of new jobs or setting up an agency comparable to British Steel's job-creating arm, BSC Industry. But whether Courtaulds' response was adequate or not, the important general point is that changes in markets and technologies of the sort which made the North Wales plants obsolete are accelerating in most industries. Companies have to develop imaginative ways of cushioning the impact of these changes on their oppologes. their employees.

#### Flexibility

Large Japanese companies, with their tradition of life-time employment, can switch employees from, say, declining shipyards to expanding elec-tronics factories, but that option is not available to most western companies. Courtaulds has sometimes been able to preserve employment by adapting textile or rayon plants to turn out newer products like carbon fibre, but the stream of new products has been nothing like sufficient to cope with the rationalisation which has been necessary in textiles. Besides, some of the plants are purpose-built to produce, say, viscose staple, and cannot easily be switched to other products. What may be more feasible, especially if it is planned over long period, is to introduce

teristic of much of British

Yet the key element in planwith more than one skill. The difficulty about an activity like the spinning of viscose staple is that while a high degree of skill is required the skill is not relevant to other occupations. This is one of several reasons why the trend towards multi-skill training is so important. Companies need it to improve the efficiency of their own operations and to cope more easily with technical change. Employees need it to improve

their prospects in the labout markets. Traditional craft de marcations are beginning to be chipped away in many companies and this process needs to be taken much further. How far companies should use their funds to support or create businesses in unrelated fields is more open to debate. In France St Gobain and some other leading companies seek to offset plant closures by making cheap loans available to businesses in the affected areas

businesses in the affected areas
—not necessarily to employ
their own redundant employees but rather to demonstrate their concern for job creation; France has particularly restrictive job protection laws and, in some industries, a tradition of union opposition to redundan-cies. Some British companies are reluctant to make funds available to job-creating agencies which they cannot control, for fear that the money will be wasted or used to subsidise uncommercial ventures which will not survive over the long

What matters most is a com-mitment by the company to its employees and to the communities where it operates. This commitment needs to be reflected in advance planning renected in advance planning for factory closures, in indi-vidual job counselling, in the provision of skills for which there is a local need and more generally in the mobilisation of the company's resources and those of the community—both private and public sectors—to counter the effects of the

# Italy: a window of opportunity

ITALIAN governments have politicians do have a breathing udget deficits for so long that they have come to look quite tion has proved to be one of normal. But the fact that Italy has got away with it for so long has had since the war. Unlike has got away with it for so long does not mean it can do so for ever. In the past the deficits were largely financed by debasing the currency. Now Though they are the biggest that an attack has been made upon inflation with some initial success that system will no of direction and, with it much of direction and, with it much of direction and with it.

Minister, has been promising to reduce budget deficits ever since he has been in office. Progress has been uneven. The finance bill which ministers adopted last week is intended to make another small advance. but many imponderables remain.

Trade union protests against the proposed economies led to two-hour strikes on Wednesday. though the response appears to have been patchy. More important, nobody knows whether the Parliament will follow the ministers lead. In any case, the finance bill makes assumptions about growth which look optimistic. It also assumes that as yet undefined spending cuts and increases of revenue will take L4.000bn (about £1.6bn) off the deficit.

## Difficulties

Those undefined cuts come on top of some politically awkward measures already incorporated in the bill, mainly in the shape of reduced welfare and pension payments and in increased prices for some utilities and the like. But unless the extra L4,000hn is found, there is no hope that the Government will achieve its avowed (and rather sanguine) hope of cutting the budget deficit to the equivalent of 15.8 per cent of GDP. That would still be higher than the deficit in any other industrialised

Danning though the difficul- tion can be made inoccuous. ties, and not least the political ones, are, a window of the likelihood of major elections before 1988, so the ficit.

with hair raising space. cits for so long that That apart, Sig Craxi's coali-

of their threat to the established Sig Bettino Craxi, the Prime political order.
The coalition, therefore, is in a position of strength which it should not fritter away. It has

already won much deserved praise. But if it misses the opportunity to stabilise public finances that praise will soon be forgotten.

Failure could eventually choke off the promising prospects of the Italian economy at large. It is an often repeated paradox that the Italian private sector is doing well even though the public sector and especially public finances are in a mess. But that is not a state of affairs

Sig Carlo Ciampi, Governor of the Bank of Italy, complained last week that the deficits militated against a reduc-tion of interest rates. Such a reduction is postulated in the outline budget. Moreover Sig Ciampi pointed out that the fiscal deficit was stimulating de-mand in a manner conflicting with the need to reduce the ex-

ternal current account deficit.
That means Italy is in danger of casting away the advantages derived from the devaluation of the lira within the European Monetary System in July, If things are allowed to slide, not only the lira will suffer; so will the credibility of the EMS as a zone of relative exchange stability.

The inflationary dangers of not bringing the fiscal deficit under control would also greatly reduce hopes that, eventually, the inflationary scala mobile system of partial wage indexa-

Thus the stakes are high. The temptation must be great to No political party enjoys making spending cuts, least of all But sooner or later the time will in a country where spending come when Italian lenders will and patronage are as closely no longer be willing to finance connected as they are in Italy.
But at least Italy does not face eign investors will refuse to

STOCK INDEX FUTURES AND OPTIONS

# It's the hottest game in town

By Alexander Nicoll

from the language Chicago's Loop business district, announce the latest fiercely competitive round in the game the city loves to play: the futures market.

contracts from the two largest exchanges based on indices of the expanding market for un-listed stocks. The start of bostilities this month (depend-ing on regulatory approval) is testimony to the rapid success of stock index futures and options since they were launched in 1982. In 1983, the total value of daily business in blue chip share index contracts surpassed the New York Stock Exchange's turnover. Now, they are an indispensable tool for many U.S. portfolio

managers.
The growth of stock index futures and options has not, however, stilled the controversy surrounding them. Large-scale arbitrage operations involving simultaneous use of the stock market and futures or options are seen by many as fuelling volatility in share prices. More broadly, there are the hoary prejudices that futures practitioners are used to encounter whenever they approach a new area: that they encourage an unhealthy degree of speculation, and divert capital from the underlying market.

Futures and options were con-

ceived as means to transfer to other willing parties the risks posed by unexpected price movements. By buying or sell-ing futures or options, farmers, commodity users and investors can lock themselves in to a price at which delivery of goods will take place at a later date-thus avoiding the consequences of a market move against them in the intervening time.

A futures contract, if left to expire, obliges a trader to make or take delivery while an option simply gives the holder a right to buy or sell at a given price. Delivery rarely occurs, however, since the markets are generally used as trading tools to reduce or assume risk. Most positions are closed by an opposite transaction before expiry.

Chicago established its posi-tion as the trading centre for supply and disinflation. The accent has been on a mushroomaccept has been on a mushrooming range of financial futures—make for a successful futures—first providing protection against currency fluctuations, index, refused to allow its name and now encroaching into the stock market tenet that only widely known underlying items make for a successful futures contract. Dow Jones, proprietors of the best-known index, refused to allow its name to be attached to a futures constock market itself.

products. In the financial pits, where. the average age—in what was already a young persons' business—is about 10 years younger a futures contract at all, but than in the agricultural. On options on a Standard and the local CBS television Poors (S and P) index of 100 channel's evening news, viewers blue chip stocks, known by its are told how they could have trading symbol, OEX. Every made a killing on the Chicago day at the Chicago Board Board Options Exchange's new Options Exchange (CBOE),

RED BANNERS, fluttering currency options. In the book-from the lamp-posts of shop next to the Chicago Board Chicago's Loop business of Trade (CBT) there are no fewer than three new books screens which keep the mup-to-with the same title: "Stock date on stock market move-Index Futures." Older tomes ments in New York. The

active futures contract traded on any exchange, followed the rules which had made com-modity futures successful: there was an active, volatile there was an active, volatile and unpredictable underlying market, and a standardised underlying commodity which

#### The key debate now is about tighter monitoring

could still be delivered, even if not by the trainload.

Stock index futures broke new ground in two important respects. First, it would be imracticable to deliver parcels of all the shares which make up a stock index—the Value Line index, which was the first to be launched as a futures contract by the Kansas City Board of Trade, is made up of 1700 shares. So an important 1,700 shares. So an important innovation was made: cash settlement. At expiry, investors accounts with their brokers, and the brokers' accounts with the clearing house, are simply adjusted to reflect the actual cash value of the index contract on its expiry Secondly, a variety of new indices—themselves a new con-U.S. grain farmers. But in cept for the futures market-recent years, agricultural had to be devised on which to futures have been hit by over- base a futures contract, breakbase a futures contract, breaking the market tenet that only The CBT wasted two It is not difficult to find years in fruitless litigation in evidence of the shift in pursuit of the Dow index while Chicago's bias towards financial other exchanges looked else-

Index Futures." Older tomes on the commodity markets gather dust.

With the switch in emphasis and squeeze on commission rates, many commodity brokers have gone to the wall. Some of the biggest players in Chicago's markets are now the futures arms of New York. based investment and commercial banks. Their strong presence underlines the extent to which futures and options have become an integral part of increasingly volatile U.S. financial markets: you cannot be a force in the government securities or equities markets from the stock market trading volume since futures products were financial futures which is still by far the most active is similar at the Chicago Mercantile Exchange (CME), where the most active stock index future is similar at the Chicago Mercantile Exchange (CME), where the most active stock index future is traded, based on an S and P index of 500 major shares. At least seven other exchanges are competing in the same game.

Against the most active stock index futures take money away from the underlying capital market, exchange officials point to the substantial increase in stock market trading volume since futures products were financial futures in New York. The ments in New York. The stock index future is similar at the Chicago on and S and P index of 500 major shares. At least seven other exchanges are competing in the same game.

S and P index of 500 major shares. At least seven other exchanges are competing in the same game.

S and P index of 500 major shares. At least seven other exchanges are c short haul. So they hedge in the futures market."

Mr Lewis Horowitz, president of the New York Futures Exchange, which offers futures and options based on the and options pased on the NYSE's Composite index of over 1.500 shares, agrees. "Capital formation is difficult in such a highly volatile world. The only way to encourage it is by achieving some stability. Financial futures are what provides stability. When you give people the opportunity to hedge risk, you are promoting liquidity in the stock market."

But do not futures pits. especially with cash settlement, provide the arena for an orgy of speculation, in which punters can put down relatively small margin payments to gamble for large wins or losses?

Practitioners do not deny that

heavy speculation is part of the futures and options scene. For every hedger, there must be a speculator on the other side to assume the risk, "It is no sin to be labelled a speculator," says Mr Horowitz. The rapid passing liquidity which allows outside users to obtain the best price.

# named after the day in the index products? The CBT, trymonth when contracts often ing to get back into the game expire. The problem is caused by cause of its Dow Index dispute, the problem of the problem is caused by cause of its Dow Index dispute, the problem is caused by th Such traders are bred by the hundred in Chicago. If success-ful, they can make their ful, they can make their fortunes; if not, they may end

up as taxi drivers. remain solvent and innocent customers of a New York Comex member firm. Volume Investors, had their their accounts summarily frozen by the Comex when market. Volume collapsed as the result of a sudden surge in the gold price. The affair led the Commodity Futures Trading Commissions mission to propose stiff increases in futures brokers' capital requirements which might cripple many firms. CFTC proposals to tighten monitoring of positions

monitoring of positions
— another is that each order
slip should be time-stamped
within a minute of being filled
— promise to provide the
central debate in the futures
industry over the next year. Of more specific concern to

Exchange

Futures

\$500 x S & P 800

stock index traders is the argument over whether share prices are distorted by futures and options activity. Such charges are vigorously denied by many exchanges, who invoke a recent Mr Horowitz The rapid passing study by the Federal Reserve on of risks by "locals"—individuals or firms trading for their case. Never the less, the their own account — provides ments which are ascribed to the "Third Friday syndrome,"

# SLOW TAKE-OFF IN LONDON

STOCK INDEX futures came to London 18 months ago in the form of futures on the Financial Times-Stock Exchange 100 share index, traded on the London International Financial Futures Exchange (Liffe). So far, the contract has been a flop, failing to attract sufficient liquidity to encourage institutional users.
The absence in London of

speculative interest and a community of "locals" such as Chicago breeds is often blamed for the failure of contracts such as the FT-SE 100. Such an environment might help, though that is not

the image London has sought. There are also doubts abo the accuracy of prices which make up the index — it is updated by the latest prices on Stock Exchange screens the index tracks the performance of fund managers'

pertfolios. There are high hopes, however, that the current restructuring of the Chy, producing a sharp increase in the number of brokers making markets, will increase their need to use FT-SE 100 futures, as well as index optious on the Stock Exchange, for hedging.

futures market is perceived to be at a premium to the stock Arbitrageurs may buy a port-folio of stocks representing an entire index, and go short in the futures market. As the

futures contract moves towards expiry, the perceived premium of futures over the actual index level will tend to disappear, giving them an instant profit. The arbitrageurs do not want to be stuck with a portfolio of unhedged equities, so they will dump them all into the market on the last day, often a few minutes before the close. They are hardly concerned about the level at which they sell the share portfolio, since any erosion in prices will be reflected in the stock index and thus enable them either to cover their short futures position at a lower level, or to deliver a smaller amount of cash if the short position is left to expire. Huge seling programmes by investors who do not care at

what price they sell are not welcomed in the stock market. Futures exchange officials say that the problem is minor, and

massive arbitrage programmes, has spent \$2.5m on developing designed to take advantage of and promoting its futures condiscrepancies between stock tract on the NASDAQ-100 Inmarket and futures market dex. Its banners proclaim that this index, offered under licence that the market is possible to the NASDAQ-100 Inmarket and futures market this index, offered under licence this index offered under licence from the National Association of Securities Dealers, is "The Real One." But down the road the CME is equally vehement in promoting the rival "SPOC"

100

futures contract, based on an index of 250 OTC stocks compiled by Standard and Poors.

Both the CBT and the CME claim that their index best claim that their index best replicates the performance of a portfolio of over-the-counter stocks. The NASDAQ-100 is weighted according to the market capitalisation of its component stocks, while the SPOC is weighted by price—resulting in sneers from CBT officials that "Crazy Eddie has the same weighting as Intel." weighting as Intel."
Neither exchange yet knows

whether there really is a market out there. Many futures pro-ducts flop. In theory, the OTC market should be attractive for hedging because its price move-ments are volatile and high-growth funds are likely to have large portfolios of OTC stocks.
Fund managers wishing to
boost their income from OTC
portfolios could do so by selling
options.

Whether or not they are successful a further range of is in any case being ironed out contracts based on foreign since the market will naturally stock indices such as London's correct persistent opportunities FTSE-100 is planned to follow for arbitrage. But the CFTC them in Chicago, And there are and the Securities and Exchange Commission, which switching from the equities regulates options markets, are markets into the futures pits, regulates options markets, are already taking steps to limit the size of positions that traders can hold on the last day of the floor of NYFE. Until he moved over a few years ago, he says, his voice would have qualified him for the Vienna fund managers have been slow to use them. NYFE's Mr Horowitz estimates that only about 8 per cent of potential institutional users have so far ventured into the new markets. So who will use the new proliferation of over-the counter markets into the futures pits, such as Mr Tony Dowd, who at 44 is the fifth-oldest broker on the floor of NYFE. Until he moved over a few years ago, he says, his voice would have qualified him for the Vienna boys Choir. Now he sucks a lot of cough drops. To survive, futures traders need to be mimble and ready to admit their mistakes. "If you have to pray or hope for a moment." he says, "you've got a bad position. It's too late."

### Airline unions ground Lorenzo

Frank Lorenzo, the 45-year-old president of Texas Air, has worked wonders in transforming the financial fortunes of his ailing Continental Airlines subsidiary, the eighth biggest U.S. carrier, but it has been at a cost which only now is becoming apparent.

For the second time in less

than two months, the expansion-minded Lorenzo has been defeated in a bid to take over a rival U.S. Airline. In August, be lost the battle for control of TWA, America's biggest Transatlantic carrier; and earlier this week, he conceded defeat in his bid for Frontier Airlines, the Denver-based regional carrier.

On both occasions, Lorenzo's chances of success were blighted by the undisguised hostility of the airlines' unions. Organised labour cannot forgive him for the way he forced Continental, which he had acquired in 1881. which he had acquired in 1981, into Chapter 11 bankruptcy two

years ago.

Lorenzo shut down the loss-making carrier, tore up the wage contracts, and three days later reopened for business as a non-union sirline. Striking Continental pilots are still to be seen manning picket lines at some U.S. airports.

The pilots' union played a key, behind-the-scenes role in persuading Carl Icahn, the Wall Street predator, to rescue TWA from Lorenzo's Texas Air; and Frontier's unions stymied him this week by agreeing to drop their own plans to take over the company and back the bid from People Express—a nonunion airline.

Lorenzo's defeat this time may be the more galling since People Express is run by one of his own proteges, 41-year-old Don Burr, and the acquisition will lift People Express into the top half dozen U.S. airlines. It will mean that in just four and a half years. Burr will have created an airline which is considerably bigger than Lorenzo's

# **Men and Matters**

the latter took control of Texas International, a small and floundering regional airline. By 1978, Burr was chief operating officer and Texas International had carved out a profitable niche as one of the first cutprice carriers. Both men are Harvard Busi-

ness School graduates and, for a time were close companions. Burr was best man at Lorenzo's

Burr was best man at Lorenzo's wedding and is godfather to one of his children.

But former colleagues say that the two men were often at loggerheads, and by 1980, Burr had quit and taken several others with him to establish People Express the next year.

## On board

Douglas Strachan, who resigned suddenly as managing director of Allied Breweries early this year, takes over shortly as director of Pro Ned, the bureau set up by City and industrial institutions to promote the wider use of non-executive directors.

Strachan inherits from Jonathan Charkham — now returning to the Bank of England as a chief adviser—a small but increasingly potent force.

Since it was established in 1982, Charkham says "Progress has been dramatic—far better than we thought possible." Pro Ned has now placed 160 non-execs on the boards of British companies and there are

companies have turned to it for help as well as the medium and small businesses from which it self for a tough week-end in expected the main demand to the City.

scores more appointments in the pipeline Many of the country's top 200

Burr went to work for But Strachan will still have Lorenzo in 1973 shortly after a major task in front of him,



"I'll be glad when the Head and staff come back—that caretaker's far too strict"

says Charkham (whose job has evidently been transmuted into How many UK companies are run by committees of managers rather than boards? Charkham asks. "The difference is that in the last resort a board can say 'no' to the chief executive."

## **Togetherness**

Jeffrey Hernu spent lunchtime vesterday buying a frame for a newspaper clipping headlined "Hernu must take blame." The Hernu in question was, of course, the French defence minister who paid the price for the Greenpeace scandal. But Jeffrey Hernu (a very distant relation, if one at all) is bracing him-

As the man responsible for personnel and premises for Bar-clays Merchant Bank, he brings to a climax more than a year's careful planning to move BMB from its cramped building in Gracechurch Street to a more capacious quarters in Ebbgate House down by the river.

The move is one of the biggest created by the city revolution: next year BMB will be joined there by the two stock exchange firms it is buying, de exchange firms and Wedd Dry Zoete & Bevan, and Wedd Dur-lacher, which will combine into Barclays de Zoete Wedd. Ebb-gate will house BZW's 1,100 staff, and provide two huge

stair, and provide two huge dealing rooms totalling over 65,000 square feet.

As luck has it, the builders developing the site opposite BMB plan to bring in a huge crane on Sunday which will block Gracechurch Street. So Hernu has to complete the move out by early that morning, and then get Ebbgate House ready in time for work on Monday.

Aside from military precision (Hernu used to be in the army) the exercise has required tact to overcome the staff's natural fear of change, and skill to blend the different cultures of Barclays, de Zoetes, and Wedds. The biggest change for most people will probably be the switch to open-plan: it would have been too expensive to rejig the air conditioning in Ebbgate into small offices. But Hernu, who has chaired no fewer than 54 meetings to plan the move, seems to be thriving on the challenge: "It's

## Post haste

Not unnaturally, some may think, the Post Office seems to of one species of wild-life.
Stockbroker Charles Stanley got a letter from a client this week. The envelope was holed in several places and a Post Office label was attached regretting that it had been "accidentally damaged/delayed" in transit.

been tremendous fun.

have become the natural habitat Penned on the label was the reason: "Eaten by snails in "Eaten by snails (letter) box."

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■ Robert Fleming & Co. 111%

National Giro Bank ... 111% National Westminster 111% Northern Bank Ltd. ... 111% Norwich Gen. Trust ... 111% People's Trust ...... 121% PK Finans, Intl. (UK) 12 % Provincial Trust Ltd.... 121% R. Raphael & Sons ... 111% Roxburghe Guarantee 12 % Royal Bank of Scotland 111% First Nat. Sec. Ltd. ... 121% 21-day deposits over £1,000 Robert Fraser & Pins. 1210, Montgage base rate.

■ Guinness Mahon ...... 111% 5 Demand dep. 8%. Mortgage 13%.

THE BRITISH party conference season comes to an end when Mrs Margaret Thatcher addresses the Conservatives in Blackpool this afternoon. Torquay, where the Social Democrats began, seems a long time

As political events, the conferences have grown in importance over the years. Partly it is because of the birth, and now maturity of the SDP. For a start, this makes the season language Also the challenge to longer. Also, the challenge to the two-party system makes the competition more open: nobody can possibly tell what is going to happen at the next election in two years.

There is, again, the still growing influence of television. Not so much the live broadcasts dur-ing the day as the extracts on ing the day as the extracts on the news programmes in the evenings. Party leaders now speak to a much wider audience and are highly conscious of the opportunities. It makes the con-tinuing refusal to televise the House of Commons even more of an anomaly. The conferences are taken over from Parliamenare taken over from Parliamen-tary debates as a seminal event.

The conferences also reverthe conferences also reverberate on each other. After their success in Torquay, the Social Democrats feared that the Liberals would not be able to live up to them in Dundee. So, too, did the Liberal leadership, though in the end the Liberal Assembly ran smoothly.

That put the onus on the Labour Party in Bournemouth. Its conference could have been a disaster, yet it succeeded beyond expectations and the performance of Mr Neil Kinnock as leader took almost everyone by surprise. It has had a major effect on the proceedings in Blackpool this week.

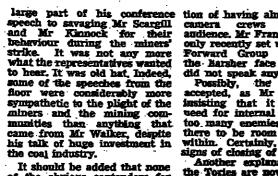
Toxies do not quite know what to make of it. Most of their leaders — Mr. Norman Tebbit, the new party chairman, for example — have admitted that Mr Kinnock made a good speech, two good speeches, to be precise. But they have fallen back on the claim that he cannot deliver My Arthur Scapell. not deliver. Mr Arthur Scargill, the miners' leader, is still there, so is Mr Derek Hatton in Liverpool, and there remains the embarrassment for Labour of Mr Ron Told and the Transport and General Workers' Union continuing to control conference votes. This week there was a new villain in the shape of Mr Bernie Grant, the leader of the Haringey Council, in whose area the riots took place last

Yet, one cannot avoid the on that, if Mr Kinnock does start to deliver and pro-duce a modern democratic Labour Party, the Tories will be distinctly worried. They like to have bogeymen to attack. Some of the Tory leaders have not yet adjusted to the change. Mr Peter Walker, the Energy Secretary, devoted a

Politics Today: The Tories in Blackpool

# The 'people's party' tries to sharpen its vision

By Malcolm Rutherford



of the obvious contenders for the succession to Mrs Thatcher came out particularly well. Mr Michael Heseltine, the Defence Secretary, was no more than routine in his main speech. He fluffed an easy chance to make a mark at a fringe meeting on "Opportunities for the 1990s." The opportunities that he talked about sounded much like those for the early 1980s, though it is notable that he has of the obvious contenders for though it is notable that he has emerged as a fervent European and not only in the defence

Mr Tebbit was always greeted with a cheer, but he had very little of substance to say. (Tories do notice these things, even if most of them are too polite to say so in the conference forum.) As for Mr Walker, he missinged the most and he misjudged the mood and perhaps representatives have a certain suspicion of him for appearing to rock the boat in

The fringe meetings were generally quiet. Sir Ian Gilmour called for modification in the Government's economic policy and, in particular, for measures camera crews present as audience. Mr Francis Pym, who only recently set up the Centre Forward Group to challenge the harsher face of Toryism, did not speak anywhere.

Possibly, the party has accepted, as Mr Tebbit kept insisting that it should, the used for internal unity. It has too many enemies without for them to be now for converse. there to be room for quarrels within. Certainly, there were signs of closing of ranks. Another explanation is that the Tories are now so alarmed by the opinion polls, the local and by-election results, the

Nigel Lawson, the Chancellor, to make a decent speech. He had given too many half-hearted performances before. He succeeded. Moreover, it is possible that the party will only begin to appreciate what he said over the next 12 months or so. It was quite clear that the bulk of the representatives did not realise that, while unemployment may be unbearably high, the number of people in work is also rising. Some of them went away beginning to talk about it. The Chancellor promised in-flation of less than 4 per cent by around the middle of next

The party has too many enemies

without for there to be room for quarrels within

continuing memployment, and

It is also true that the intense

inner-city violence that will have to pull it off, of course.

have temporarily lost But we should look forward as voice and do not know well as backwards. Any governwhat to say. This time next ment that achieves that will year, if the polls are still unfavourable and there have been by election losses, it could recover before the next general recover before the next general

The recent Cabinet reshuffle It is also true that the intense security precautions cast a shadow over the conference. Nobody really objects to them, but it is as if a certain spontaneity has gone out of conference life. Yet, the pessimistic impression can be overdone. There were some things that the Tories had to do at Blackpool and in the whole they have done

retary of State for Trade and Industry, despite having been reluctant to leave the Home Office. He put a new emphasis on selective regional policy, and he is, after all, an MP for a

Indeed, the Cabinet changes conform to a pattern which Mrs Thatcher has established over the years. The people she thinks most of tend to get the chief economic and industrial

posts in the end.

And there is a pattern, too, in Tory themes which becomes more pronounced the longer they govern: a home-owning democracy, then a share-holddemocracy, then a share-hold-ing democracy, more privatisa-tion, less government control, and the extension of ballots in trade unions. Borrowing from the language of an old Labour manifesto, Mr Brittan said yes-terday that it was an irrever-sible shift. That may be too strong, but it is not all that far out, and there is still some way out, and there is still some way to go. One claim made several times this week was that nearly half of state-owned corporations will have been privatised by the end of Mrs Thatcher's second

Again, there are a few actions which the Government could and might take in the next few months that would require little legislation, yet would rebureaucratic regulations. the negotiations with Dublin
Mr Leon Brittan, in his over Northern Ireland. No
speech yesterday, began to look at home at his new post of Sections those measures could be fairly

There was a lot of talk be-fore the conference opened about the need for a new vision. about the need for a new vision. Where, I think, the people who call for that mistake the present Tory Party is in not seeing that, to Mrs Thatcher, the continuation and extension of existing policies and steady dismantling of controls is the new vision.

It is necessary for ministers to distinguish the wood from the trees—something which cannot be guaranteed. On the evidence of the past two years, it is possible that the Government will get bogged down
ment will get bogged down
again on inessential, but contentious legislation though it
was notable in Blackpool that
no specific pledges were made
about the full reform of the

rating system or pensions. The various party conferences have more in common with each other than meets the eye. All are talking about the same subjects: law and order, unemployment, the need for microeconomic measures rather than grandiose national plans. Any-one who attends them all comes one who attends them an com-away with the impression that the parties are more divided by prejudice, tradition, class, and an inability to know each other than by intellectual disagreement. The SDP is elitist, the Liberals are an odd bunch. Labour is still over-dominated

by the union block vote. For better or for worse, it is the Tories who now look most like what would be called in continental Europe a "people's party." In Blackpool, there was an extraordinarily wide social

# Lombard

# Leverage and levitation

By John Plender

wisdom of the financial comwisdom of the financial community, is as good as its real estate and farming looking customers. But who believes shaky, the Fed will take its folk wisdom any more? Over risks on the side of inflation.

But what of all the fee incompanied by very from providing customers with the more than the fee against the feet against the fe

The familiar part of the story concerns the second half of the 1970s, when much of the profits growth came from petrodollar recycling. The oil producers' financial surpluses were re-directed to accommodate the ballooning payments imbalances of the oil importers. Bankers took their cut for performing on a global cut for performing on a global scale the classic task of inter-mediation between the over-liquid and the under-funded. The trouble was, and is, that the profit already declared on it all remains conditional on Third World debtors not going into default. We shall not know much of the bankers' profit was real until the debt problem ceases to feature as a key item on the agenda of IMF meetings.

In the present economic cycle the art of financial levitation has taken an increasingly aggressive form. Instead of recycling petrodollars, international—and especially American
—banks reshuffle corporations

and corporate management through bids and leveraged buyouts. If the corporate establishment fails to reshuffle fast enough or T Boone Pickens runs out of steam, the bankers can always pop ideas into the heads (and junk bonds into the balance sheets) of entrepreneurial upstarts. Too bad for British brewers

—and for central bankers, because here again the private bankers' profits are, in a sense, conditional. Only if monetary policy remains accommodating will over-leveraged bidders and buyers-out survive to yield a proper profit to the banks. The

A BANK, according to the folk gamble for U.S. banks is that wisdom of the financial com- with so much collateral in oil.

fast growth in banking profits. the means to hedge against cur-The phenomenon bears think-renev and interest rate fast growth in banking profits.
The phenomenon bears thinking about.
One implication could be that bankers have discovered the philosopher's stone and can now pluck profits from thin air. But since the job of the Fourth Estate is to be sceptical, this column will pursue the less exhilarating hypothesis that the whole thing has been done by mirrors.
The familiar part of the story concerns the second half of the means to hedge against currency and interest rate uncertainty? Since the job of stabilising exchange rates was privatised in the early 1970s there has been a genuine growth in demand for futures, options, Euronote facilities and other hedging instruments. Computer power has been by mirrors.

The familiar part of the story concerns the second half of the means to hedge against currency and interest rate uncertainty? Since the job of stabilising exchange rates was privatised in the early 1970s there has been a genuine growth in demand for futures. Computer power has been of the provided in the early 1970s there has been a genuine growth in demand for futures. Computer power has been of the provided in the early 1970s there has been a genuine growth in demand for futures. Computer power has been of the provided in the early 1970s there has been a genuine growth in demand for futures.

thus vastly increased. This should, in theory, allow the banking sector to buck the trend in a financially unstable low-growth world in much the same way that insurers profit from misfortune. The snag is that as the banking system moves closer to an insurance function, the bankers appear to be losing some of their traditional advantages in managing

corp, has aptly remarked that information about money is as important as money itself. Yet in writing currency options, for example, the banks are dealing with corporations that know timing of future transactions. Sometimes the customer may be the one with the inside information. As for obligations under

Euronote facilities, banks do not always know the circumstances in which they may be required to stump up funds in future. What if everyone asks for the money at once? The risk has been compared to insuring against nuclear war. There is at least this consola tion for the banks. To judge by the fallout from the recent failure of Equity Programs Investment Corporation in Maryland, private insurance companies that have guaranteed mortgage backed securities have been quite as short-sighted in their assessment of what are really banking risks. And there's another piece of folk wisdom that's gone out of fashion; who now sticks to their last?

## Sloppy work by accountants

From Mr. J. Newman

Sir.—Barry Riley reported (October 8) on the Institute of Chartered Accountants in England and Wales (KAEW) England and Wales (RCAEW) reaction to the Green Paper called "Accounting and audit requirements for small firms" which was a development of the preceding "Burdens on business" paper. In essence the Government has asked the simple questions: "should small companies be audited, reviewed or not, and should their accounting requirements be simplified?" I would like to comment further on the ICAEW response. The Green Paper mentions in

The Green Paper mentions in several places experiences in the United States where there are no audit requirements for small corporations. The ICAEW makes corporations. The ICAEW makes no mention at all of the position in either the United States or Australia. Canada, other EEC states and Jersey, to name a few places which have no audit requirement, although they may have been considered during committee stages. My experience (albeit limited) with unaudited statements from U.S. and Italian companies leads me to suspect there are some highly pertinent comments that could be made. The ICAEWS insularity is disappointing, particularity is disappointing, particularity.

larity is disappointing, particularly as there are very valuable lessons to be learnt.

The purpose of the Department of Trade and Industry paper is to reduce burdens on business, that is, reduce the cost of the audit. As accountants, one expects matters to be costed out if et all needble but there out if at all possible but there is no costing in the ICAEW paper. The suspicion that any cost saving will be swallewed up by the extra taxes to pay for increased staff needs and greater bureaucracy in Inland Revenue and VAT offices can-not be substantiated. Further, because of this lack of costing,

qualification is not mentioned in the ICAEW paper: to my mind a major omission.

The response from the ICAEW is not as authoritative, researched and persuasive as one would expect from England's leading professional body of accountants. I therefore urge the technical directorate and thecouncil of the institute to improve matters but are now very much more important than they were before the oil crises (most notably in the U.S.).

Unless the IEA believes that indigenous production of oil in the industrialised world and imports from non-OPEC sup-

## Letters to the Editor

more importantly can I suggest that the DII carry out research in the three areas mentioned in this letter in order that the position is properly investiga-ted prior to legislation. John A. Newman, 1, Old Burlington Street, W.1.

Stocks of

Prom the Director, Centre for International Energy Studies, Erasmus University

Sir,—Once again (Oct 7) you

Sir,—Once again (Oct 7) you give prominence to the international Energy Agency's report on the "low level" of company-held oil stocks and note the apparent impact of the stock position on spot prices.

Quite apart from the doubtful validity of the significance of spot price mevements as an indicator of fundamental oil supply/demand relationships—because of the recent phenomenal growth of what Dr Elosavar-Rahmani of Harvard's Energy Policy Centre has described as Policy Centre has described as the "tertiary" market in oil (essentially the market represented by the secretly or discreetly discounted prices offered by all OPEC countries to all process of the secretly discounted prices of the simple secretly discounted prices of the secretly disc by all OPEC countries to all major buyers) — the simple calculation of the number of days forward consumption represented by company-held stocks is itself misleading. "Commercial" stocks held by the companies to meet technical and seasonal variables are of the order of 30 days: it is the stocks they are required to stocks they are required to hold in excess of those that are intended to cover for political and strategic risks in the supplying countries.

because of this lack of costing, the allegation cannot be adequately rebutted that the ICAEW is motivated by self interest in the retention of audit fees.

A large, and increasing, number of audit reports of directors controlled companies are qualified the basis that the auditors have accepted representations from the directors where alternative confirmation of transactions were not available because the system of internal control is dependent on the directors control is dependent on the directors close involvement. This necessary form of qualification is not mentioned

pliers such as Mexico, the USSR. and Egypt, etc. are as much at risk as oil supplied from the OPEC countries, then it should change the basis of its presentorate and the council of the intion in order to give a picture which is less distorting of the reality of oil supply dangers.

Peter R. Odell.

Invisible standing

Deputy Chairman, British Invisible Exports Council Invisible Exports Council
Sir,—Christopher Lorenz was
a trifle gloomy in his analysis
(October 4) of Britain's "deindustrialisation," even extending his gloom to Britain's
service industries. He quoted
the Bank of England's recent
statement that Britain's service
trade (particularly the financial
sector) had lost market share
over the past decade or more.
But why did he equate this
trend with a lack of competitiveness? Such sleights of hand
need careful watching.
Before coming to such gloomy

Before coming to such gloomy conclusions, one has to ask several question. Is the fall in market share due to the rise of new competitor or to a loss of competitiveness? Is the UK is a fine leisure centre. Importing such services in growing volume? Has the UK's surplus rentained intact? Has the UK maintained its premier for open spaces with the result that result and result and result that result and result that result and r position vis-a-vis other countries?

The fall in market share in financial services is hardly surprising, considering the proliferation of new and developing financial centres in Hong Kong, Singapore, Tokyo, Bahrain, Nassau, etc. In assessing whether all this implies a growing lack of competitiveness, the following points are worth

In contrast to manufacturing industry, Britain's financial services surplus remains high (at £60n net, it was double the figure for 1980). Britain is first in the value of international banking transactions with 25 per cent (the U.S. is second with 15 per cent). UK is second to the U.S. in net invisible less than 133 days cover against the now highly unlikely total disruption of oil supplies from OPEC countries. And one must also remember that government-held stocks (additional to company-held stocks) are now very much more important than they were before the oil crises (most notably in the U.S.).

banking transactions with 25 per cent (the U.S. is second with 15 per cent). UK is second to the U.S. in net invisible export earnings (i.e. allowing for import of similar services). UK is third to the U.S. and France in gross invisible exports in invisible exports covering invisible exports covering financial services, consultancies, professions and enter-tainment. (IMF's "other ser-vices" category.) UK "trade-vices" category.)

able" services now provide a

(40 per cent) than manufactur-ing (26 per cent). This may dispel some of Mr Lorenz's gloem. What it will not do, however, is produce a sector of the economy which can immediately fill the gap, in jobs and foreign earnings, left by the decline in manufacturing industry he was analysing. This council is convinced that manufacturing and service in-dustries both need continuing support. One is not a substitute

William M. Clarke. 14, Austin Friers, EC2.

Pay up, pay up and pay the name

From Mr P. Sergeant
Sir,—Certainly it would be a
challenge for anyone to take on
the task of tourism officer at
Scunthorpe (Men and Matters,
October 8), but what material
he would have available for
use!

There are obvious aspects of leisure life in which Scunthorpe excels—what other town of comparable size can muster more than one golf course? Scunthorpe has three. In other sports, facilities are better than in other twenty tennis squash sports, facilities are better than in other towns: tennis, squash, hockey, cricket, athletics, soccer, rugby, ice - skating, equitation. There were three large steelworks in the town, each with excellent sporting facilities, as well as the public and other private provision for sports. Who among sporting people would not want to visit a town closely associated with Jacklin, Botham, Keegan and others of similar calibre? There is a fine leisure centre.

for open spaces with the result that parks and gardens abound. The Sheffield family of Normanby Hall also saw to it that there were open spaces in certain parts of the town as the town developed. Normanby Hall is a fine house leased to the local council and used with its grounds for public purposes. The local museum has been adjudged the best small museum of the year. We hope to get back our Roman pavement from Hull,

We have been mocked for boasting of the quality of our crematorium but you could hardly find a more restful place than the grounds whether the rest be temporary or eternal.

Communication and accommunication

Humber bridge is a fine tourist attraction. Above all, if we can persuade British Steel Corporation to open the steelworks to the public, visitors would discover there events of immense interest and excitement in the daily work which tourists would be well advised to come to see. P. A. Sergeant.

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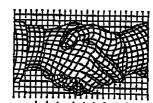
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# FINANCIAL TIMES

Friday October 11 1985



# Peru told **IMF** split could end in World Bank ban

PERU has been warned privately that a decision to leave the International Monetary Fund could cost it nembership of the World Bank and force it to repay prematurely \$660m in World Bank loans. Sr Luis Alva Castro, Peru's Prime

Minister, yesterday reiterated President Alan Garcia's threat to walk out of the IMF and said his country would not allow the IMF to be used as an intermediary between Peru and its creditors

But World Bank officials said that the hank's charter would force it to expel Peru if it relinquished IMF membership. A member which gives up IMF membership can only



per cent majority after a shareholder's vote which in Peru's case is

That would not only mean Peru having to repay existing World Bank loans, it would also forfeit about \$685m in loans promised by the World Bank but not yet actually

Despite the strong language of Sr Alva Castro's speech to the IMF an-nual meeting in Seoul yesterday – he accused the fund of failing to fulfil the role assigned to it and repeated President Garcia's call for it to be replaced by a new body under the anspices of the United Nations bankers say they detect the begin-In a wide-ranging interview, Mr Hawke set out for the first time his tralia would not have attained its

nings of a softer approach.

In public, Sr Alva Castro yesterday maintained Peru's refusal to its foreign debt, saying the country cannot pay more. But in private he has been more conciliatory, indicating that he might permit a token interest payment soon as a sign of

● Ecuador intends to seek a \$300m bankers' acceptance facility on U.S. and European markets towards the end of this year, making it one of the first Latin American countries to return to voluntary borrowing since the debt crisis started.

Sr Francisco Swett, Finance Minister, said the facility, which will be used to improve Ecuador's cashflow by pre-financing oil exports, will be negotiated after Ecuador signs its \$4.5bn multi-year reschedsigns its statement of the statement of

Alongside Uruguay, which is soon to announce a \$45m World Bank cofinancing loan, Ecuador is the only debtor country in Latin America to have firmed up plans to borrow normally in private markets.

Ecuador is also the only country since the debt crisis started to have been granted a multi-year rescheduling from governments and com-

Sr Swett said he welcomed the new U.S. initiative on easing the debt crisis because of its emphasis on the need for growth in developing countries. Bankers see Ecuador as eligible for benefiting from the initiative because it has also fulfilled one important condition by opening the door to more foreign Sr Swett said Ecuador plans soon

to complete oil proecting investment agreements with three more major companies - bringing to six most \$500m for National Inter-the agreements signed this year. group's First Nationwide Finanical Garcia takes gamble on rellation.

# UK Cabinet may decide on single City watchdog

the marketing of investments now The Government originally had

Board, covering the regulation of to changes both before and after securities and investments, and a Marketing of Investments Board, covering the regulation of pre-packaged investments, such as life in-surance and unit trusts. London institutions, however,

have supported the creation of the former as an overall body and opnosed the latter.

No decision has been taken, but a strong hint of a reconsideration of the supervisory structure was given last night by Mr Michael Howard, the recently appointed Under-Secretary for Corporate and Consumer Affairs, speaking at a tringe meet-ing of the Society of Conservative Lawyers at the governing party's annual conference in Blackpool. In his first major speech on the Government's forthcoming Financial Services Bill, Mr Howard set out the details of the new system but noticeably left open the ques-tion of whether there should be one

or two statutory-backed regulatory

MR BOB HAWKE, the Australian

Prime Minister, said yesterday that

he plans to lead his Labor Party

Government into a third general

election armed with a renewed ver-

sion of his pay and prices accord

He also said unequivocally that

France should provide New Zea-

land with an "unqualified apology"

over the sinking of Rainbow Warri-

or, the Greenpeace anti-nuclear protest group's flag-ship in Auck-land harbour three months ago. Mr Hawke said France's behav-

iour had been "app alling" since the sinking, which he described as "an international act of terrorism."

**Sperry sells** 

farm unit

for \$330m

Continued from Page 1

profits of \$34m on sales of \$715m in

Sperry said the New Holland sale

would free the group "to concen-

heated takeover speculation follow-

ing aborted merger talks earlier this year with both ITT and Bur-

roughs. But the group also been mentioned as a possible acquirer.

Mr Gerald Probst, chairman of

Sperry, said the sale would mean that "we will be totally an electronic

system supplier, well positioned to expand in our chosen business

reas through internal growth, ac-

quisitions and joint ventures." Sper-

ry shares jumped \$1.25 on the news

For Ford, whose European unit

called off merger talks with Fiat of Italy earlier this week, the deal rep-

resents the continuation of an ag-

gressive acquisition and diversifica

Ford recently agreed to pay al-

most \$500m for National Inter-

unit as part of its expansion into

the finanical services industry.

tion strategy.

with the country's unions.

ing towards the acceptance of one a month to six weeks before the Bill supervisory body for the regulation is given a second reading in the of financial services rather than the House of Commons. Mr Howard wo separate ones for securities and made plain in his speech his determination to consult widely to get the legislation right. He said that The Government originally had this process would continue, and he envisaged the creation of two bodies writing to all interested parties to es - a Securities and Investments ask for their views. This may lead

> ers to authorise, regulate and moni-tor investment businesses while enabling him to transfer the great majority of these powers providing their rules meet the criteria on mat-ters such as fair dealing, compensa-tion, segregation of client's funds and conflicts of interest. The boards would also have to make annual re-

tain a right for a business seeking direct authorisation from the boards to appeal to a tribunal if its

Similarly, directly authorised businesses would be able to appeal against withdrawal of authorisation or the imposition of penalties. The tribunal would be an independent body appointed by the Secretary of

Mr Howard rejected calls for a U.S.-style Securities and Exchange

Hawke to seek wages accord

Labour's pay pact with the unions

was recently renegotiated for a fur-

ther two-year term. Australia's next

general election is not expected be-

Mr Hawke scoffered at com-

plaints from some employers'

groups that Australia could no long-

er afford the accord, whose key fea-

ture is inflation-proofed wage

awards. They're talking absolute nonsense," he said. "Australia is do-

ing better than any other economy

in the world. We're now moving into

our third year of 5 per cent, non-farm GDP growth. We've got the

highest rate of employment growth

based on his pay pact. "Id be out of we were stupid enough to embrace my bloody mind not to, wouldn't I the nonsense of our opponents when Mark I and Mark II (of the accord) have been so successful," he free play of market forces, you'd time," he said.

have a wages explosion," he said.

Without the accord, he said, Aus-

with unions before election

BY ALAIN CASS AND MICHAEL THOMPSON-NOEL IN CANBERRA

fore late 1987.

in the world."

THE BRITISH Government is mov- An announcement is likely within Commission, as favoured by the opposition parties, claiming that it would be excessively legalistic and bureaucratic. The new Bill would not introduce the rigid U.S. definition of a professional investor but would instead be based on the

> Professor Jim Gower, legal adviser to the Department of Trade and Industry and the architect of the major regulatory reforms proposed for London markets, has been openly critical of the Government's original concept that there should be two regulatory bodies.
>
> Many institutions have also at-

"know-your-customer" concept.

tacked the indicated scheme, outlined in January in a government White Paper (policy document). The influential City Capital Markets Committee, formed of a wide range of interests, said in March that the Government's plans could "cause It said that there would undoubt

edly be problems "in drawing lines of demarcation." There would be "duplication of effort in building up the necessary information base." The system would "risk the emergence of gaps in the coverage of the final framework as well as confusion in the minds of those outside the financial community."

Conference report, Page 13

Conservatives try to sharpen their vision, Page 19

Moreover, Mr Hawke maintaine

that the overwhelming majority of employers welcomed "the fact that,

under the accord they've had a res-toration of the profit level to record highs from the disastrous 12 per

cent share of GDP which occurred

tralia's net foreign debt was "higher than we would like." But he added

that it was predominantly private sector debt incurred to finance

productive growth and asserted

that his Government's overall eco-

nomic strategy was aimed specif-

ically at reducing foreign debt, which at the end of June was a re-

"Our whole macro-economic poli-

Details, Page 6

cord A\$52bn (\$36.2bn).

# U.S. will vet UK high-tech sales to East bloc

By Christian Tyler in London

THE U.S. Government is to send a team of inspectors to Britain next month to check the books of companies buying American electronics for any evidence that militarily-useful technology is being diverted to the Soviet Union or its allies.

Britain has agreed to the Ameri-can "audit" on condition that the half dozen companies selected for inspection give their assent. The companies, whose names are being kept secret, have received letters from the Department of Trade and Industry (DTI) advising them of the

Although the companies are likely to give permission, it would be "under duress," their trade association said yesterday.

The proposed audit by U.S. Dep-

the result of new American export licensing rules that came into effect

U.S. suppliers granted distribution licences for high-tech exports are selling to bona fide customers in Britain and other Western countries. They require companies to op-erate an "internal control pro-gramme" for scrutiny by the U.S.

But the new procedure, described by another trade association as "a highly sensitive political matter," has raised again the controversial issue of British acquiescence in the extra-territorial reach of U.S. law.

One of the companies to be inspected is the newly-formed British subsidiary, in Maidenhead, Berks, of a Massachusetts high-tech trading company called State Street Trade Development. Mr Christopher Kelly, a manager of the U.S. parent, said the inspection would probably be carried out "informally" by a senior Commerce Depart ment official, with a British civil servant present. This was to placate the British authorities, which he

said did not like the word audit. A Department of Trade spokes-man said the U.S. had no jurisdiction in Britain and could not send officials to the UK without the cooperation either of the Government or the companies. The Department would protect the interests of companies that objected and reserved the right to have an official at the audit.

In its letter to companies the DTI said: "We do not, of course, accept the claim to jurisdiction in the UK which is implied in the requirement to maintain records for U.S.

inspection.

We do, however, recognise there are likely to be practical and commercial benefits to a company in being an approved consignee in the

being an approved consignee m me distribution licence procedure."

But if British companies did not agree to the procedure, they could find their supplies of U.S. equip-ment or components cut off, accord-ing to Mr Jack Townsend of GEC Telecommunications, who has been handling the issue for two trade associations.
"Most of the companies ap-

proached are signifying assent un-der duress," he said. "But it generates a great deal of unpleasant-ness which the U.S. suppliers could well do without."

The Electronic Engineering Association and the Telecommunications Engineering Manufacturers Association have both urged the DTI to protest to the U.S. about the extra-territorial inspections, which are likely to take place several

times a year.
Mr Townsend said that companies were looking for sources of supply other than the U.S. in case American controls became too

Specification and price checks on British contractors to the U.S. De-partment of Defence have been carried out by the UK Ministry of De-fence by agreement with the Pen-tagon, according to the Electronic Engineering Association.

Neither the DTI nor the Ameri-

can embassy in London was able to explain yesterday why the new ex-port licence audits had to be conducted by a team from Washington.

the U.S. courts have ruled on the le-

Hanover Trust as part of the "lockrelease of the funds.

in early trading yesterday.

# THE LEX COLUMN

# No holiday for the operators

earnings by the UK tour operators next year always required an act of faith long before Thomson's brochure hit the mat with a dead sound at the beginning of the month. Yes-terday's response from Internation-al Leisure Group (née Intasun), delivered with maximum flamboy-ance, has left the City pondering two less-than-appetising possibili-ties: either everybody will make

less money or everybody but these two, and they won't make a fortune.
In launching the headlong scramble for volume, Thomson extinguished the tentative hopes of the smaller companies for next sum-mer. The miners strike had worked its mischief through the system, the late surge in summer bookings was spilling into the winter programme and destination costs were looking

most favourable in sterling terms. Having reconsidered their attempts to raise prices for last sumner, many Spanish hoteliers were holding prices steady while forward purchases of Mediterranean currencies had been at rates so as to make a no-surchage guarantee an almost risk-free exercise.

To defend its market share, Thomson has elected to hand all these benefits to the great English holidaymaker and has been rewarded by the greatest muster of potential travellers since the Golden Horde. International Leisure, whose balance-sheet gearing has never hampered its flexibility, has offered early booking premiums (with the ensuing cash-flow benefit) amid dire warnings that the market

will be so tight by June that the late booker will have to stay at home. In effect, the two majors are try-ing to turn a potential increase in next summer's market of 10 per cent or so into double that – all of which will accrue to them, thus making up for the discount in next rear's prices to this year's outturn. Horizon, a late convert to the commodity end of the trade, had to hur-

The prospect of a recovery in ryout its price cuts yesterday while drive down costs fast enough to arnings by the UK tour operators the parent companies of the smaller compensate. operators must be thinking anew of their value as businesses in a price war that goes on and on.

The smaller companies are at a double disadvantage. As charter rates harden in the light of the big twos' intentions, they may have to take on capacity at a higher cost, while they lack the volume of flights to make any arrangement similar to the majors' non-consolidation guarantee – actually a lump of hush-money – at all plausible to a public fed up with sitting for days at Luton Airport

The market responded to yester day's events by pushing Intasun 8p up to 188p, and Horizon a sympa-thetic 4p to 82p. That may be simply a flicker of interest in shares out of fashion for some time: after all, it is not beyond the bounds of possibility that volume could dry up as convincingly as it did at the start of this year, wiping out tour operating margins already cut to a minimum.

High fixed costs plus falling sales as often as not equals lack of profi-tability, not least in the silicon chip industry. The frightening thirdquarter losses already reported by National Semiconductor have now been complemented by a result from Intel that would be at least as dismal were it not for the cushion of investment income that is the most visible advantage of Intel's linkage

Indeed, the revenue numbers make Intel look even more exposed; where National was reporting a 20 per cent drop in sales, year on year, Intel has had to withstand something closer to 30 per cent. Thanks nies have been unfashionable in the to uncontrolled growth in world ca- stock market, moreover, inhibiting pacity, the competitive decline in the flow of capital into the industry

Dumping suits against the Japa-

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Section 1971

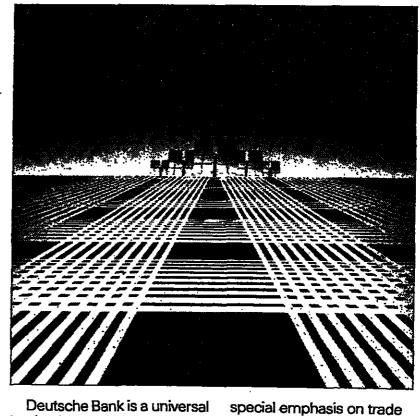
nese producers will be at best a palliative for California; what is needed, but hard to envisage, is an encore to the surge of innovation on which companies like Intel enjoyed their years of high-margin growth. Yet innovation in silicon becomes costlier with each generation, to the the pinch. The possibility that op-erating losses could force IBM to take a closer interest in its investment can only add to the discom-

### Carlton/Thames

There may be good specific rea-sons why the IBA should have withheld its consent from Carlton's hid for Thames Television, but the verdict looks remarkably like a capri-cious demonstration that visible franchises are not to be exchanged in mid-term under any circum-stance at all. Unless the IBA knows something about Carlton to cast doubt on its assurance about the future management of Thames, the judgment against Carlton may be hard to justify.

It also leaves the prospective ven-dors at a loss. Continued ownership of Thames has evidently become something that neither Thorn nor BET would write into its corporate plan, and in Thorn's case, at least, the sight of ready money disappearing under Nanny's skirts must be poignant, to say the least. It is obscure, too, for the IBA to reason that anybody's interests can be bet-ter served by insisting that the franchise stay in the hands of declared sellers. If television compachip prices has amplified the effects that is an undesirable state which of falling demand, so that it is proving impossible for any producer to to perpetuate.

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a proper course. Deutsche Bank AG London Branch 6 Bishopsgate, P.O. Box 441 London EC2P 2 AT Telephone: 283 4600

# Boston gas company files for protection

DISTRIGAS Corporation of Boston has filed for protection under Chap-ter 11 of the U.S. federal bankruptcy code and also suspended its contract to buy 1.15bn cubic metres of trate resources on its key electronics businesses." The group is the liquefied natural gas (LNG) from Sonatrach, the Algerian state oil

fourth largest computer group in the world with sale sof \$4.2bn. It and gas company. The U.S. company said that its decision is the direct result of the has recently been the subject of Federal Energy Regulatory Commission ruling made in May last year that bars take or pay clauses in supply contracts to U.S. utilities.

That ruling did not affect Distrigas' contract with Sonatrach but it did undermine the company's deal-ings with U.S. customers. Distrigas made a \$5m loss in its May to Sep-

tember operations.

Distrigas' contract with Sonatrach was signed in 1976 and approved by the regulatory body the following year. It was importing 14 cargoes of Algerian LNG a year, the purchase of five of them in the summer in what a year in 1980.

is known as a "peak shaving" con-tract, that is the importer buys more gas in winter months, when demand is at its peak and stores what gas it imports in summ

The decline in U.S. gas prices which has led to the suspension of the contract, has seen the price of Algerian gas sold to Distrigas decline by more than 60 cents a thou-sand cubic feet to \$4.44 cif between July 1984 and July 1985.

Over the same period the price of Canadian gas, at the U.S. frontier, has declined from \$4.13 to \$3.33 per thousand cubic feet.

The suspension of the contract with Algeria follows similar action by Panhandle Eastern with a 4.5bn cubic metre a year contract in 1983 and the earlier cancellation by El Paso of a much larger contract for the purchase of 9.8bn cubic metres

# PLO talks in Britain to be held despite hijack

Continued from Page 1 ers and that, as far as they know.

the four are still in Egyptian hands. Mr Mubarak told reporters that the Palestinian guerrillas - who seized the Achille Lauro on Monday - had surrendered and left the surrendered. The hijackers finally country before Egypt knew about the death of an American hostage.
"If we knew about the killing we would have changed our position on the whole operation," he said.

Asked what would happen if the U.S. insisted that legal action be taken against the guerrillas, Mr Mubarak said: They can ask the was hurt on board, and this is re- ers that they are." corded in the contacts with the

ship."
"If he told us one of the passentime, they had already left Egypt." Arafat.

According to Egypt's President information about the murder of Mr Leon Klinghoffer, a 69-year-old New Yorker confined to a wheelchair, came five hours after the four gave themselves up at about 4.30pm Egyptian time (2.30pm GMT).

gers was killed, we could have Liberation Front, almost certainly changed our position. But at the the one owing allegiance to Mr

President Ronald Reagan, saying

that the U.S. would "do everything we can" to bring the hijackers to justice, urged the PLO, if it was holding them, to turn them over to a sovereign state with jurisdiction ship's captain, who told us nobody to prosecute them "as the murder-

The four Palestinians belong to one of the factions of the Palestine

### SCM sets up 'safety net' Continued from Page 1

gality of the arrangement which has angered the Hanson side. The case is due to be heard next Tuesday. On Wednesday, \$9m of SCM funds, which had been held in an

escrow account at Manufacturers up" agreement, was released to Merrill. This caused considerable concern at Hanson which has taken out a separate action to sue Merrill and Manufacturers Hanover for the

SCM shares moved \$\% up to \$72\%

**Deutsche Bank** 



# SECTION II - COMPANIES AND MARKETS

# FINANCIALTIMES

Friday October 11 1985



# Korf plans \$50m steel venture in Connecticut

HERR WILLY KORF, the West "mini-mill" concept, he described namic maverick on the steel scene, the new U.S. venture es a "micro- he blamed state subsidies for disgroup collapsed two years ago, is in- mill." volved in a new steel mill venture in He declined to be specific on fithe U.S. costing nearly \$50m and nance, or identify his U.S. and Eudue to start operations around the

Connecticut Steel will produce around 200,000 tonnes a year, employ just over 300 people, and use scrap metal, coal and oxygen in a new process aimed at producing steel cheaply. Based in Wallingford, Connecticut, the plant will use the site and buildings of the former French-owned Yale Steel.

Herr Korf, in London for the annual conference of the International Iron and Steel Institute, said the money for the project was being gineering empire failed early in employed raised through share capital and 1983 as a result of depressed demash an long-term finance. A pioneer of the mand and strong competition. A dy-

has major

trial group.
Shareholders in Greggery, which

ris merket last week, have been dis-

comfitted by news of unexpected dif-

ficulties at one of the company's

subsidiaries which are likely to reduce significantly the group's prof-

offered compensation by buying back freshly-sold shares at the original offer price of FFr 278 (\$33.8m).

M Charles Yves Gregory, he com-pany chairman, said the effer was

who rushed to take up the original offering on October 2 should not suffer any "prejudice" as a result of the earnings setback.

The original offering was heavily oversubscribed, as with the majori-

ty of *second marché* introductions

during the last 2% years, with bids placed for more than 2m equities

out of the 43,000 sold. Greggory

shares have been suspended since

October 7 after the company said difficulties in its Sometal subsid-

iary, which makes industrial floor.

coverings, would reduce group earnings this year to FFr 6m from the FFr 10m estimated at the time

Around 80 new companies have come to the second marché since

1983, taking the total quoted in the

sector, including those transferred from a previous unlisted section of

the stock market, to more than 100.

**Bofors** to cut

By David Brown in Stockholm

aid to counteract its weakening or-

Bofors says the recent U.S. decision to cancel the "Sgt York" antiaircraft weapon, rationalisation of its RBS-70 missile production facili-

ties and export licence hold-ups will force it to institute an imm

one-month lay-off of 150 workers,

and a further one-month lay-off of 600 employees in the first half of

The financial burden of develop-ing weapons for the Swedish armed

forces has not been compensated

for by adequate orders on the small domestic market, and the company

says foreign sales are sharply limited by Swedish arms exports

Baltica takes

75% of Hahn

By Hillary Bernes in Copenhagen-

I.S. Hahn, one of Denmark's oldest

and most prestigious stockbrokers.

The acquisition is one of several

**600** jobs

placed some of its shares on the Pa-

reversal

ropean partners. Herr Korf, chair-

He said the U.S. mill would use the new Energy Optimising Fur-nace (EOF) technology in use at the Brazilian plant in Minas Gerais. Herr Korf, who intends to use the

Herr Korf's previous steel and engineering empire failed early in employed there in making wire, 1983 as a result of depressed demesh and nails using bought-in

torting the market

Of his former companies, Korf Engineering was bought by Voest-Alpine of Austria, and Midrex of man of the new company, also has a 37 per cent stake in a Brazilian steelmaker, Companhia Siderurgi-steelmaker, Companhia Siderurgi-steelmaker, Companhia Siderurgi-steelmaker, Companhia Siderurgipany, Kori Industrie und Handel, went bankrupt, while Kuwaiti investors took control of Korf Indus-

a big market" for the EOF technolo-Herr Korf, who intends to use the Wallingford plant as a showcase for EOF, said there was plenty of available events. dent of the Connecticut company, said around 60 people were already

# Paris USM Oslo banks reflect interest income fall

BY FAY GJESTER IN OSLO

IWO OF Norway's "big three" commercial banks reported higher op-erating profits, but lower profitabil-ity, in the opening eight months of THE UNLISTED stock market in France, which has boomed almost this year, compared with the year without interruption since it was earlier. The poorer performance launched in February 1963, this was due, in both cases, to a sharp week faced its first major setback decline in net interest income. with the price collapse of the re-cently-introduced Greggory indus-

Christiania Bank puts its January/August operating profit, before bad debt provisions, at NKr 485m in the same period last year. However the more recent figure includes an item which could be classified as extraordinary includes an extraordinary i

If this is discounted, operating profits were actually down on a year earlier. Even at NKr 485m, the eight month profit amounts to only 1.56 per cent on average total assets during the period, compared with 1.62 per cent a year earlier. Net in-terest income fell to 3 per cent,

from 3.57 per cent.

Bergen Bank increased operating around NKr 88m from the sale of 283 per cent, from 3.49 per cent. On the bank's shareholding in a lead- the other hand, profits from currening Norwegian civil engineering cies and share trading were consid-and construction group, Selmer erably higher than a year earlier.

# Bergesen profit slips as market tightens

pected, and will continue. It reflects

NORWAY'S Sigval Bergesen shipping group amounced pre-tax profits of NKr 221.9m (\$28m) in the opening eight months of 1985 - NKr 9.1m down on a year earlier. The company says the decline was experienced and will continue it restants.

Unrealised currency losses on the ending of long term charters at debts are not included in the eightprofitable rates on a growing num-month figure: they will appear in ber of the group's ships, which are the full-year accounts, which are now having to seek cargoes in to-day's difficult market. expected to show a loss on net fi-nancial items proportionately highnancial items proportionately high-The January/August 1985 figure would indicate. This is because the includes profits of NKr 137.5m from -latter includes dividends received ship sales, compared with NKr and realised earnings on currency 75.1m a year earlier. Gross freight transactions, which will not be reearnings reached NKr 1bn, compeated in the final four months of pared with NKr 976m. Realised 1985.

# Alcan to shed more assets

BY ROBERT GIBBENS IN MONTREAL

ALCAN ALUMINIUM expects to zil, despite the economic crisis, but sell more assets in an effort to align has pulled out of Colombia and Nits worldwide raw materials, smelti-BOFORS, Swedish armaments ing and semi-fabricating operations with the realities of 2 to 3 per cent manufacturer, is to lay off 600 em-ployees and has initiated discusannual demand growth.

Mr David Culver, president, told
analysts in Montreal that the comsions with the Government in Stockholm over some form of state

pany wants to lighten its heavy commitments in alumina and in

Alcan would need stable ingot prices of between 60, and 70 U.S. cents per pound to put its C31bn (U.S.\$735m) Laterriere primary smelter project back on track in

any other operations where returns remain insufficient. Because of world over-expansion, elumina plants, including Alcan's new Aughmish plant in Ireland, are operating at only 50 to 60 per cent capacity and often cannot support their debt.

Alcan intends to remain in Bra-

WHY FORD'S FARM EQUIPMENT HOOK-UP WITH SPERRY MAKES SENSE

# Implementing a tricky marriage

THE SURPRISE in the farm equipment industry is that it has taken Sperry so long to sell out.

FINSIDER, the Italian state steel maker, wants to undertake a new phase of restructuring because of the discouraging outlook for

Dr Sergio Magliola, managing director of Finsider, said the group, which has suffered large osses in recent years, was now viable following recent major plant closures and new equity iniections from the Italian Govern-

**Finsider** 

cuts in

capacity

plans new

Dr Magliola said the new phase of restructuring would necessitate agreements between the private and publicly-owned steel producers in Italy, His own view was that Finsider should get out of the structural steel (long products) sector, leaving the pro-duction of beams, reinforcing bars and merchant bars to prirate companies. On the other hand he would like to see a concentration of flat product capacity within the state company so that it could use its large, mod-

Finsider lost L1,527bn (\$855m) in 1984 following a loss of L2,655bn in 1983. It had been aiming to reduce the loss to L628hn this year and return to profit next year, but because o difficult market conditions; its loss this year was likely to be L880hn, and the return to profi-

tability delayed until 1987.

Dr Magiiola acknowledged that the Italian steel industry, and Finsider in particular, had been slow to cut canacity in response to the slump in recent years. He said this was partly because demand had continued to rise in Italy after the slump began elsewhere in Europe. "Our peak year was 1982," he said, whereas the peak year in the EEC as a whole was 1979.

Also, Italy's share of EEC production was - and still is - some-what smaller than its share of EEC consumption. This had made it difficult to convince Italcuts were necessary, he said.

Despite the difficulties, he said Italy had achieved considerable progress. In all, it had closed 6.4m tonnes of capacity, about 600,000 tonnes more than was demanded by the European Coun-mission in 1983. Of this, Finsider had made net closures of 3.8m tonnes, including a hot strip mill

at Genoa.

Dr Magliola said Finsider had reduced its workforce by 40,000 people since 1980, making one in every three jobs redundant. He said the main thing now

was to concentrate production on was to concentrate pronuction on the most efficient plants. In flat products, be claimed Finsider had the best plants for wide strip, special plates, cold reduced stainless sheet and coated sheet. It also has the greatest capaci-

ty. Its output of hot strip, for example, is more than 7m tonnes a year compared with 650,000 tonnes by the only private sector producer, Falck of Milan. Dr Magilola would like Falck to describe the other will seed on its land of the only private sector producer, Falck of Milan. Dr Magilola would like Falck to close its hot strip mill and sell its production quota to Finsider, which would then be able to raise output at its modernised, but underused, Bagnoli works near Na-ples. "We are having discussions with them," he said.

On the other hand, he would like Finsider to stop making long products. "I do not think that should be our business any-more," he said. The group now makes more than 1m tonnes 2 year of light structural sections, beams and reinforcing bars, products at which Italy's private sector producers in the area around Brescia excel.

There have been rumours in the industry for at least six years that the U.S. group's New Holland division was for sale or that negotia-tions were under way with a poten-tial buyer. Usually, these rumours connected New Holland with Ford n one way or another. Yesterday's announcement that Ford is buying New Holland for \$330m and taking on \$110m of its liabilities indicate that the logic of such a combination

finally prevailed.

For several years, it has been clear that the future in the farm equipment industry will belong to companies which offer a wide range of machinery. Initially, the pressure for this development came from the marketing men, who saw an advantage in having dealers able to offer farmers a complete product, financing and maintenance service. As the slump in demand for farm

specialised equipment suppliers - potential buyers.
and both Ford and New Holland are
One reason for specialists - of maintaining independent distribution networks has become increasingly onerous. The link with Ford suggested it-

Unique among the major world tractor makers, Ford does not make any other farm implements. New Holland, for its part, is a strong pro-ducer of combine harvesters and land already sells its machines through Ford dealers in many countries. Around 400 of Ford's 5,000 dealers sell New Holland machines. However, it has been a difficult

marriage to consummate. In the late 1970s, there was talk of a joint venture, but Mr Henry Ford, who is said to have a strong emotional attachment to tractors, apparently vetoed it. Since then, there have equipment has lengthened, compe- been talks from time to time, and petitors include Fiat of Italy and some New Holland machines.

One reason for the hesitation ny is a clear market leader in its sector. And in an industry where self for two main reasons. First, much more rationalisation is there is no overlap between the two. needed, Ford, like New Holland,

Ford is among the top four trac-tor makers in the world, but is behaymaking equipment, but does not make tractors. Second, New Hol
Deere of the U.S. and possibly Fiat of Italy. Similarly, New Holland is the fourth supplier of combines in the devastated North American market, after Deere, J. I. Case and

tition has intensified and the cost to New Holland has talked with other Deutz-Fahr of West Germany. Ford said that the two compar

may be that, while they are major more than \$2bn, compared with world competitors, neither compa-Massey's sales last year of \$1.5bn. Massey's sales last year of \$1.5bn. Both, moreover, are profitable, which is rare in the farm equipment

Ford said yesterday that it conhas undoubtedly contemplated sell-ing out rather than going for expan-in the dealer networks or manufaction. But it would be surprising if both companies did not pursue fur ther rationalisation. Ford has conin Britain, while New Holland has plants in the U.S., Belgium, France, Brazil and Australia.

There is also the question of New Massey. In Europe, it is second to Holland's arrangements with Deere Class of West Germany but, as in last year to buy components from tractors, the European market is each other. Ford was at pains yesmuch more fragmented than the terday to say that it would be "busi-North American market, and New ness as usual," but it seems likely, Holland's share is only about 17 per for example, that Ford will soon cent. Other major European com- want to displace Deere engines in

# Alsthom to buy major slice of Sprecher

BY JOHN WICKS IN ZURICH

SPRECHER & SCHUH, the Swissbased electrical engineering group, is to sell about 60 per cent of its business to Alsthom of France.

Consolidated turnover last year was SwFr 576m (\$158.6m) and as a result the Aarau-based company will be divesting annual sales in the region of SwFr 345m.

The transaction, no price for which is being disclosed, involves the purchase of Sprecher & Schuh's Swiss high-voltage, medium-voltage and plant construction divisions, as well as subsidiaries in West Germany, Austria and Brazil

medium-voltage sector since early this century.

After disposing of these activi-After disposing of these activi-

ties, which Alsthom will hold in a new subsidiary, Sprecher Energie, the Swiss concern will remain with its existing low-tension and industrial electronics divisions. These include an Aarau plant for

switching and control systems, together with foreign sales offices, as well as the engineering subsidiary Indumation and the industrialsoftware specialist Retis Realtime Software, both also based in Aarau.

About 1,300 of the 4,000 employ-Alsthom's acquisition of the power-transmission operations will and the remaining 2,700 will go to make it one of the world's leading. Sprecher Energie.

In 1984, Sprecher & Schuh had

group has been co-operating with returned to profit for the first time Sprecher & Schuh in the high and in six years with a modest group

situation of the group had "substantially improved" in recent years, it added that there were still serious problems in the high and mediumvoltage sector. Here, as in the field of electrical-

plant construction, Sprecher & Schuh sees itself less able to provide the necessary funds for research and development.

"In the long term, Sprecher & Schuh is unable to raise the finances and reserves essential for a profitable position in the energytransmission market, particularly in the light of export risks," the statement says.

hand, provide the company with bought in 1978,

promising field of diversified lowtension business, it adds.

Sprecher & Schuh says it would have been impossible to reach an agreement with "other Swiss or foreign companies" with the same advantages or the same guarantees for the future. The Alsthom sale is claimed to be the best way to retain all existing operations and jobs.

The reference to "other Swiss

companies" may be taken to mean that it was not possible to reach an agreement with Landis & Gyr, the Zug-based group in about the same sector as Sprecher & Schuh.

Some years ago there had been some speculation that Landis & Gyr might buy the Aarau company. However, earlier this year Landis & The divestment will, on the other Gyr sold a 10-per-cent stake it had

This announcement appears as a matter of record only.

OCTOBER 1985

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# EUROBONDS Market ready for U.S. issues

Although not a well-known name issue price, was selling at prices around 98%, comfortably inside the BALTICA FINANS, a member of 2 per cant fees. The all-in cost to the the group which includes the Baltiborrower, which is AA rated, is 37 the group which includes the Baltica Insurance Company, has basis points above the U.S. Treasuacquired a 75 per cent interest in ry yield curve.

ry yield curve.
Apert from the Dayton Hudson arrival, the Eurodollar market was quiet yesterday, with prices virtual-

recent moves in which the Danish insurance groups have diversified The World Bank's Swiss franc to other aspects of the financial zero coupon bond issue met with a strong response in its first day of official trading. The 30-year issue priced at 18.69, touched 19.15 at its Baltica said the acquisition will benefit both Hahn and its custom-

group, made its debut on the Eurobond market yesterday with a price. The coupon is 5% per cent.

\$100m issue led by Goldman Sachs;
With the market receptive to With American borrowers and the for Savera American dollar issue issues in the record October calendary with a market yesterday with a price The coupon is 5% per cent. DAYTON HUDSON, the U.S. retail Credit Suisse, also had a good start dealers hoped that some of the new

North American borrowers and the for Sanwa Australia was increased swaps attractive, more deals are in Europe, the 10-year issue, which likely to be launched. Yesterday has a 10% per cent coupon and 99% there were three. The SwFr 150m 15-year issue for Province of New-foundland, led by UBS, has an indicated yield of 5% per cent.

Citicorp Bank (Switzerland) set final terms for a SwFr 110m 10-year issue for American Fletcher, at a 5% per cent coupon and 100% issue per cent coupon and 100% issue price. Banque. Paribas (Suisse) fixed a 5% per cent and par issue price for a SwFr 70m 11-year deal for Texton Financial.

The Swiss franc secondary market improved by around % point on average and traders reported a

friendly tone. ers by broadening the range of services on offer, and that it will also strengthen the Dames in the increasing competition from foreign finance companies.

The deal was again suffered falls, with prices down by around 2 point on the day. However, the market rallied after even larger falls in the morning as

by lead manager Schroder from A\$25m to A\$30m due to "strong de-mand." The issue slipped to trade outside its 2 per cent fees after the increase but recovered to be bid just inside the fees at the close.

• Electrohix, the Swedish hom appliance group, has appointed Credit Suisse First Boston and Enskilda Securities to be dealers for a \$150m Euro-commercial paper programme which is not backed by a standby credit.

In other deals, Banque Belge is arranging starling acceptance facilities of £50m and \$30m respectively for Petrofina (UK) and Imperial Continental Gas Association of the

# The attractions of Zero Coupon Bonds

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# INTL. COMPANIES AND FINANCE

# **Spanish** utilities in provisional agreement

By David White in Madrid

SPAIN'S electrical utilities have reached provisional agreement after 10 months of discussions on how they will redistribute more than \$3bn worth of assets in the form of generating capacity and market shares.

pressure from the Government reinforces the position of the state owned Endesa group as well as that of the two leading private compa-nies in the sector, Iberduero and Hidrola, while others – in particular the Union-Fenosa group and the Catalan company Fecsa – are to shed production capacity. The boards of the companies

have still to approve the plan, due to be presented to the Government ahead of its year-end deadline, thus avoiding the need for official arbitration.

The Government asked the utili ties to produce restructuring pro-posals to remedy their financial im-balances, in the wake of reductions announced two years ago in the country's nuclear power programme. Half of the 10 pla new reactors were shelved in the light of revised estimates for

been made conditional on financial reorganisation in the face of a massive debt burden.

Endesa is to play a dominant role in the acquisition of assets, with planned purchases worth Pta 250bn (\$1.55bn) and sales worth Pta75bn. Its expansion includes a virtual monopoly in Aragon, through the takeover of Electricas Reunidas de Zaragoza and the transfer of Fecsa's market share in the region. Other deals include the purchas

group is meanwhile set to break into the market in the Madrid region through a Pta 144bn deal with Union-Fenosa, from which it is also due to take over shares in nuclear plants at Almaraz, in the western Extremadura region, and at Trille northeast of Madrid.

The overall plan has hinged largely on the negotiations between these two groups.

Union-Fenosa, formed three years ago through a merger be-tween Union Electrica and the Galician power company Fenosa, is to shed assets worth a total of about Pta 240bn.

## Murdoch to group various **U.S.** interests

By Paul Taylor in New York MR RUPERT MURDOCH, the Australian-born international pub-lisher, yesterday announced a sweeping consolidation of his re-cently acquired U.S. entertainment and broadcasting interests into a company to be called Fox Inc.

company to be called Fox Inc.

The new company, which will have three operating groups, brings together the entertainment and broadcasting interests of News America and TCF Holdings, the Murdoch group which last month increased its holding in Twentieth Century Fox the firm corporation Century Fox, the firm corporation, from 50 to 100 per cent paying \$325m. It is in the process of acquiring six major television stations from Metromedia in a 1.55bn deal.

Fox's three operating groups will be Twentieth Century Fox Film, Fox Station Group and Fox Televi-sion Network. Separately Mr Alan Horn, chairman and chief executive of Embassy Communications, was named president and chief operating officer of Twentieth Century Fox Film.

Commenting on the appointment, Mr Barry Diller, chairman of TCF holdings, said: With the addition of the Fox station group and our plans for the development of the Fox television network, it is clearly neces sary to have a key senior executive in charge of the day-to-day opera-tions of Twentieth Century Fox."

# FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for October 10.

U.S. DOLLAR			Change on
STRAIGHTS	وجدنا	Bid Offer	day week Yield
Amex Credit 107a 90	100	1011 <sub>2</sub> 102	6 - 81 <sub>2</sub> 1034
Arnex Credii 12% 88	150	1067 <sub>6</sub> 1067 <sub>8</sub>	0 +0% 9.57
Asient Richild 104 00	250	8374 9614	- 0% + 0% 11.05
Australia Com 114 00	100	10212 103	+ 814 = 014 19.55
Australia Com 11 95	200	101 12 592	+ 014 - 65 14.88
BP Capital 114 92	150	10178 10238	- 01 <sub>8</sub> - 81 <sub>4</sub> 10.82
Canada 11½ 90	B06	10476 105%	0 - 51, 9 <b>98</b>
Canadian Pac (04, 93	100	105 12 192	- 0% - 0% 19.39
Canadian Pac 12's 99	75	1973, 1981	+ 618 - 918 11.33
Chevron U.S.A. 124 89	600	1041 1015	- 614 - 636 10.84
Citicorp 10 88	200	100 4 100%	8 + 014 9.82 - 014 8 11.13
Citicorp 111; 65	150	101% 18214	- 4
Coca Cola 174, 91	100	106 10612	+ 614 - 625 10.39
Decement Kingdom 111, 89	100	10212 103	+ 01a - 91a 10.25 6 8 18.63
Denmark Kingdom 111- 90	100	10338 10378	• • • • • • • • • • • • • • • • • • • •
Denmark Kingdom 111, 92 E.D.F. 10 95	500	102% 102%	- 8½ - 8½ 19.88
	225	#76 \$F%	+ 01g - 81g 1932 - 61s 6 1822
EEC. 94, 96 EEC. 114, 90	353 100	971 <sub>2</sub> 96 1024 1934	- 61 <sub>8</sub> 6 15.22 8 - 61 <sub>2</sub> 16.29
ELB. 1295	200		4 - 64 <sub>6</sub> 16.85
Export Dev Corp 10 90	100	1961/ 1064 993 987s	+ 8% - 8% 19.87
Export Dev Corp 12 89	100	1054 1064	+04-65 18.11
Fed Dep Stores 10% 95	100	\$67, \$676	+04-62 18.11 0 -05 16.68
Ford Motor Cred 11% 90	100	1925 1027	+ 01a 0 19.55
Ford Motor Cred 174 95	100	10176 1029	0 11.22
Ford Motor Cred 174, 92	100	1824 1034	+ 812 + 014 11.65
Ford Motor Cred 12 85	100		+ 814 - 058 11.22
Gen Elec Credit 104 00	200	1063 <sub>5</sub> 1007 <sub>8</sub>	8 - 8½ 10.15
GMAC 104 89	200	1053 <sub>8</sub> 1607 <sub>8</sub>	
1834 Credit 10% 2000	300	101% 182%	
Kellogg Company 107s 90	100		8 8 10.02
Kellogg Company 114 B2	100		8 -1 18.52 8 +014 18.63
LT.CR. 12% 91	100 100		
Macy Cred Corp 174 95 Merrill Lynch 124 89	100 100	1833 <sub>6</sub> 1037 <sub>8</sub> 1851 <sub>4</sub> 1053 <sub>4</sub>	
Minnesola 11½ 67	100		0 +0'2 9.44
Mitsui Trust 11% 90	100		- 814 - 076 19.58
Morgan Gusranty 12% 89	150		8 - 0'n 18.35
Pru Realty secs 121, 95	546		0 - 02, 10.99
Centes Airways 10% 95	140	98 98 ½	+ 61 <sub>8</sub> - 81 <sub>4</sub> 10.66
Quebec Hydro 11'2 92	106		6 - 01 <sub>2</sub> 19.5%
Queensland Govt 104 95	100		G - 61 <sub>2</sub> 19.90
Raiston Purina 114, 95	150		8 — \$3 <sub>8</sub> 19.98
Raiston Purina 124 89	100		a - 01a 18.48
Seskatchewan 104, 92	100	101 101 12	
Saskatchewan 117a 89	100		
States Tow 151 00	170 150		0 - 914 16.19 9 - 91 <sub>8</sub> 16.45
S Wates Tray 174 90 Swed Exp Cred 10 92	100	1041 <sub>2</sub> 1045 <sub>3</sub> 967 <sub>8</sub> 973 <sub>6</sub>	- 81 <sub>4</sub> - 81 <sub>4</sub> 16.60
Swed Exp Cred 124 890W	100		0 - 01 <sub>0</sub> 10.47
Sweden Kingdom 10% 90	200		8 - 814 10.27
Sweden Kingdom 11/2 89	200		4 0 % 10.17
Sweden Klingdom 114, 94	100		0 - 012 19.50
Termeco Corp 10% 95	150		0 - 0 10.77
Texaco Capital 10 95		9278 9338	- 91 <sub>8</sub> - 1 11.17
Texaco Capstal 11's 95	290		- 815 - 81a 11.95
Tokai Asia 11 95	100		- 018 + 018 10.98
United.Tech Fin 10% 95	100		0 - 05 <sub>8</sub> 18,67
Victorian Rep 11% 92	150		9 - 04 10.79
World Bank 10's 95	300		0 - 012 10.58
World Bank 12% 94	200	1114 11156	0 6 <sup>2</sup> 6 10.81

•			Chapge on	
lesued	84	Offer		7446
200				
200	1845	10538	- 614 - 83g	6.82
200	10278	1034	- 8% - 9%	6.72
150	10t 1 <sub>2</sub>	10214	- 818 B	7.06
200	1867	167%	- 812	8.94
300	1014	10214	- 95a - 112	6.54
150				
100	997.	1005 <sub>m</sub>	0 + 6%	7.55
100	1015	1043	- 84 - 112	7.06
200	101 L	1017 <sub>B</sub>	- 874 - 874	6.00
190	103%	18438	- 01g - 63g	£.73
150	1945	1853	+ 814 - 814	7,14
100	105%	1963	- 812 - 812	6.33
300	17578	17678	+ 0% - 078	-1281
300	21 Te	9178	- 012 - 114	6.25
100	186 %	197 is	-618 + 158	1.48
100	897a	99 's	0 - 014	5.81
200	10238	10278	- 93 <sub>9</sub> - 85 <sub>8</sub>	6.74
	103	1992	- 0:4 - 8:5	7.26
	101%	102 %	0 - 0%	6.98
100	106%	187 %	- 814 - 814	6.54
100	9334	<b>54</b> 1 <sub>2</sub>	- 816 + 814	L77
600	181	1813	- 67g - 67g	6.80
100				6.45
ence Co	day - 0	in on w	eek - 01 <sub>2</sub>	
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Average price change On day 8 on week - 814

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SHISS FRANC ·					) <b>(40</b>	
STRAIGHTS		84		رجة .	· week	Yes
African Dev Bk 64 94	100.	† #B2	1824	0.	+ Q1 <sub>9</sub>	5.94
Avon Cap Corp 5% 94	130	† 108½	10574	+ 61/	+ 812	5.20
Brit land Comp 612 99		10512				
Council of Europe 6 92		1 103			+ 07a	
Creditanstalt 5½ 94		1004				
Deutsche Bk Flo 54 95		1 103		Ť		494
EI.B. 5% 94		† 1822 1				
Gen Occidentale 45 94		† 183				
Glandale Fed.S&L 5'2 95		† 38				
I Ç industries 54 94		† 1013 <sub>4</sub>	182	- 64	- Blz	536
had Fund Fin 54 94	40 '	110212	102%	+ 6%	+ 012	5.20
Int - And Day Bik 6% 94	120	10212	10234	- B1g	- 05	5.74
N.Zeeland steel 54 96		19814				
Oberos Klowk 5% 8a		190				
Raiston Punna 54 94		19012				
Sentos Finance Ltd 6 94		100 4				54
Tokyo Elec Pwr 5½ 93		r 101			+ 04	
Tokyo Mistropolis 54, 94		1994				
World Bk 5% 94		10212				532
Average price	chango On	day + 0	Te on a	<b>76</b>	STB	
					-	

54 94 Average price				+ 014 + 654 rock + 51 <sub>6</sub>	£31
<b>UGHTS</b>	hand	BMS	<b></b>	Change on day week	w
ecublic 64, 90	15				
				1 - B4	
Rubber 74 95	25	100%	1007a	+ 814 - 854	7.02
eanark 792	10	10012	701	8 - M	E.84
swick 7's 95	10			0 - 0%	
Cred Zero 90	14			8 - 9%	
Azerage pri	ce change (				

				Comela di	
OTHER STRAIGHTS	-		Ole:	dby 1700	k Yleid
Aust Gas & Light 13 92 \$A	50	985	264	-04-0	4 11.18
GMAC 12% 88 AS	35	5712	9812	+ 814 9	12.72
Kellogg Co. 124, 88 AS	30 ·	9578	977	~ 6% - 8	
Manage of 12th MAS	50	38 1 <sub>2</sub>	70012	+ 814 - 94	14.54
Midland Int'l 13% 90A\$		927 <sub>6</sub>	Mary.	- 814 - 87	
Amex 104, 90 CS	₽.			- 61	11.5
C18C 1(A, 90 CS	75	17/2	<b>\$</b>	- 644 - 1	
Genster Fin 11% 95 C\$	75		12	+ 8% - 91	
Hemil - Went'th 10% 9505	25 1	9414	354	-1 -1	7 7 5
Lables Can 11k 02 CS	50 i	- 95	9372	~ 53 <sub>6</sub> - \$1	
Lobiaw Cos 114, 92 CS		M <sup>2</sup>	95 Ta	- 64 - 1	4174
Sears Acc. Co 104 92CS		9914		- 01 01	A . 1674
Winnipeg City 10% 80CS	50		24	+ 612 - 6	
Carysler Fin Corp 17 90NS	氨	321 <sub>4</sub>	997.	+ 814 - 2	13.20
K.O.P. 184, 91 NS	50	20	<b>30</b>	~ <b>8%</b> ~ 11	4 1944
Priverbanken 16% 88 NS	50	97	-	0 + 61	17.62
	75	36%	<b>35</b> '4	- 4	9.02
B.N.P. 8% 95 ECU			985	- 0	
IBM Who Trade 64 90ECU	. 150	991 <sub>8</sub>	-		
Sec Pac Aust 84, 90 EGU	190	2514	983.	a - 61	s 1.12
Honda Motor WW 37, 90FL	100	101 %	181%	ē - šī	<b>15</b> 3
Honda Motor XW 37s 90FL	100	<b>8</b> 1 <sub>2</sub>		+ 8% 8	646
	50	101 12	1014	- 012 - 01	: LII
Thyssen 74 90 FL	==	10112		0 - 81	7.5
Wereldhave 7'2 90 FL	75	101 'Z	9674 18774	0 -00	- 1-10
Wessanen 64 90 FL	50	9814 983		0 - 00	7.12
S.N.C.F. 11 2000 FF	500	9834	9814	- 61	11,13
Australia Comm 11 92 E	40	18876	10078		22.13
BP Capital 104, 92 £	50	500	10012	0 +81	n 18.00
ELB. 17e SSE	50	1901	1803.	ā — ģ1	12.50
CTD 116 20 F	30	#12		ē - 84	100
GMAC UK Fin 10'z 90 E		1084	1812	+ 5% + 61	
Imp Chem Inds 114 95 £	75			TENT	
Imp Chem Inds 104, 92 C	75	<b>96</b> 14	2624	0 + 81	
Moderalds 10°a 90°£	40	1997 <sub>8</sub>	10130	1 + 65	
Mitsubisid Fin HK 11 90 £	50	995 <sub>6</sub>	100%	8 +81	
Privatbacken 11% 92 C	20	10112	192 -	0 +41	8 11.44
Rank Xerox 11 92 E	40	9974	10014	8 .+81	19.00
Dan very 11 oc c	60	9712	<u> </u>	+ 614 + 81	4 11.22
Royal Ind 104, 92 E		5578	1803	+ 61	10.00
Ster Drug Cap 10% 90 £	30	35'4 95'4	8	4 + 60	11.73
Tricentrol XW 11 92 C	35	30'4			1143
Tathouse Forte 11's 90C	50	9904	19814		
World Bank 11¼ 95 €	100	101 12	192	0 -61	· 18.52
ECS.C. 1012 94LF	100	1043	10578	9 + 84	: 1.6t
Nat Lux Alom 10'2 92 LF	600	704 Va	165%	g +81	25
			-		
FLOATING RATE					
NOTES	Spread		Offer	Con Con	
ROTES Banco di Roma 54 82	Spreed 0 †	996 <sub>2</sub>	#\$7 <sub>8</sub>	20/18 8.1	<b>2.12</b>
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Banco & Roma 54 82 BankAmerica O/S 54 96 Bankers Trust 5 2000	0 † 84 0	996 <sub>8</sub> 997 <sub>8</sub> 997 <sub>8</sub>	9078 100 % 100 %	39/12 J.4 11/12 J.44	2.12 2.13 2.44
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Banco di Roma 54 92 BankAmerica CVS 54 96 Bankers Trust 5 2000 B.F.C.E. 54 99 B.N.P. 54 95	0 † 0 0 0 0	99 <sup>6</sup> 8 99 <sup>7</sup> 6 99 <sup>7</sup> 8 196 <sup>3</sup> 6 191 <sup>3</sup> 8	997 <sub>8</sub> 100 \a 199 \a 1086 <sub>9</sub> 1015 <sub>8</sub>	3012 874 11/12 I.A 12/12 874 10/1 574	2.12 8.13 6.44 8.71 5.17
Banco di Roma 54 92 BankAmerica CVS 54 96 Bankers Trust 5 2000 B.F.C.E. 54 99 B.N.P. 54 95	0 † 0 0 0 0 0 0 0 0	9968 9976 9978 19936 19136 1918	907 <sub>8</sub> 100 1 <sub>8</sub> 100 1 <sub>9</sub> 100 1 <sub>9</sub> 101 5 <sub>8</sub> 100 1 <sub>4</sub>	99/12 5% 11/12 LAN 19/12 5% 10/1 5% 22/1 8%	2.12 8.13 8.44 8.71 5.17 8.24
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Basso of Roma 54, 92 BasickAmerica O35 54, 96 Basicers Trust 5 2000 B.F.C.E. 54, 99 B.N.P. 54, 95 B.N.P. 54, 95 (July) B.N.P. 54, 99	0 † 0 0 0 0 0 0 0 0	9968 9976 9978 10626 10138 100 100	9078 190 % 190 % 1006 1015 100 % 100 %	59/12 27- 11/12 LAA 13/12 SA4 10/1 514 22/1 814 516 514 22/10 8.18	8.73 8.44 8.77 8.77 8.24 8.24 8.24
Banco of Roma 54, 92 BankAmerica OVS 54, 98 Bankers Trust 5 2000 B.F.C.E. 54, 99 B.N.P. 54, 95 B.N.P. 54, 95 B.N.P. 54, 96 C.C.F. 54, 87	o t Os Os Os Os Os	9968 9876 9978 19938 10158 100	9978 186 % 186 % 1886 1815 1814 180 %	30/12 3% 11/12 4.44 12/12 5% 10/1 5% 22/1 8% 576 5% 22/10 4.19 12/11 8%	8.12 8.13 8.44 8.71 5.17 8.24 8.24 8.26 8.14
Bench & Roma Sv. 92 Bankhmerica O/S Sv. 98 Bankers Trust 5 2000 B.F.C.E. Sv. 99 B.N.P. 5u. 95 B.N.P. 5u. 95 B.N.P. 5u. 95 C.C.F. 5u. 97 C.C.F. 5u. 97	0 t 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	99 <sup>4</sup> 8 99 <sup>7</sup> 6 99 <sup>7</sup> 8 100 <sup>2</sup> 6 101 <sup>5</sup> 8 100 100 99 <sup>2</sup> 4	190 % 190 % 190 % 190 % 191 % 190 % 190 %	59/12 27- 11/12 LAA 13/12 SA4 10/1 514 22/1 814 516 514 22/10 8.18	8.12 8.13 8.44 8.71 5.17 8.24 8.24 8.26 8.14
Banco di Roma 54, 92 Bankhmerica O/S 54, 98 Bankers Trust 5 2000 B.F.G.E. 54, 99 B.N.P. 54, 95 B.N.P. 54, 96 (July) B.N.P. 54, 96 G.G.F. 54, 97 Chase Man'to 5 2000 Chase Man'to 5 2009	o t De C C C C C C C C C C C C C C C C C C	99 <sup>4</sup> 8 99 <sup>7</sup> 6 99 <sup>7</sup> 8 100 <sup>2</sup> 8 101 <sup>5</sup> 8 100 99 <sup>2</sup> 4 99 <sup>2</sup> 4	190 % 190 % 190 % 190 % 191 % 190 % 190 %	30/12 37°s 11/12 8.44 12/12 874 10/1 574 22/1 874 22/10 8.18 12/11 87s 12/11 87s 14/12 11.19	1.12 4.13 6.44 8.71 5.17 1.24 5.24 8.24 8.24 8.14
Benco di Roma Sv. 92 Basikhmerica O/B Sv. 98 Banikars Trust 5 2000 B.F.C.E. 5v. 99 B.N.P. 5v. 95 B.N.P. 5v. 95 B.N.P. 5v. 95 B.N.P. 5v. 95 B.N.P. 5v. 95 C.F. 5v. 97 Chase Man'n 5 2000 Chase Man'n 5v. 2009 Gistorp O/S 5v. 96 Sep	0 t 0 0s 0 0s 0 0s 0 0s 0 0s 0 0s	99 <sup>4</sup> 8 99 <sup>7</sup> 6 99 <sup>7</sup> 8 100 <sup>2</sup> 6 101 <sup>5</sup> 6 100 100 99 <sup>2</sup> 4 99 <sup>7</sup> 8	997 <sub>8</sub> 198 % 198 % 1985 <sub>9</sub> 190 % 190 % 190 % 190 %	30/12 37°s 11/12 8.44 12/12 874 10/1 574 22/1 874 22/10 8.18 12/11 87s 12/11 87s 14/12 11.19	8.15 8.13 8.44 8.77 8.27 8.24 8.24 8.26 8.14 8.66 11.20
Banco di Roma Sv. 92 Bankimerica O'R Sv. 98 Bankers Trust 5 2000 B.F.C.E. Sv. 99 B.N.P. 5u. 98 B.N.P. 5u. 98 B.N.P. 5u. 98 C.C.F. 5u. 97 Crasse Men'to 5 2000 Crasse Men'to 5 2000 Crasse Men'to 5 2000 Gradi Lyonnats Sv. 95	0 † 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	99% 9976 9978 18636 10138 108 9974 9974 9978 9984 18058	997 <sub>8</sub> 1981 <sub>4</sub> 1991 <sub>5</sub> 1096 <sub>8</sub> 1015 <sub>9</sub> 1001 <sub>4</sub> 1981 <sub>4</sub> 188 189 189 188 188 188	30/12 8% 11/12 8.44 13/12 974 10/1 514 22/1 814 22/1 814 22/1 816 12/11 816 11/12 11.75 11/14 9.80	8.15 8.13 8.44 8.77 8.24 8.24 8.24 8.14 8.86 11.20 8.22
Benot of Roma S4, 92 BackAmerica O/B S4, 96 Bankers Trust 5 2000 B.F.C.E. 54, 99 B.N.P. 54, 95 B.N.P. 54, 95 B.N.P. 54, 97 Chase Man'to 5 2000 Chase Men'to 5 2009 Chicorp O/S 54, 96 Sep Graff Lyounais S4, 95 EEC, 5 90	0 † 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	995 <sub>8</sub> 997 <sub>6</sub> 997 <sub>8</sub> 1003 <sub>6</sub> 1013 <sub>6</sub> 100 993 <sub>4</sub> 993 <sub>4</sub> 993 <sub>4</sub> 1005 <sub>5</sub> 1005 <sub>5</sub>	997 <sub>5</sub> 196 % 199 % 199 % 199 % 199 % 199 % 199 % 199 % 199 % 199 %	30/12 8% 11/12 844 12/12 8% 12/1 5% 22/1 8% 5% 5% 22/18 8.18 12/11 8% 12/11 8% 11/19 8.48 11/19 8.48 11/19 8.48 11/19 8.48	1.12 4.13 6.44 6.77 6.17 6.24 6.24 6.24 6.24 6.24 6.24 6.24 6.24
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## REPUBLIC NEW YORK CORPORATION US\$100,000,000

FLOATING RATE

SUBORDINATED NOTES DUE **JULY 2019** 

Notice is hereby given that for the period from October 11, 1985 to January 13, 1986 the Notes will carry an interest rate of 696% per annum. The interest payable on the relevant interest payment date January 13, 1988 will amount to USS218.68 per USS10.000 Principal Amount of Notes.

Comber 11, 1985
THE CHASE MANHATTAN BANK, N.A. LONDON, AGENT BANK



The British Institute of Management and The America-European Community Association

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KONISHIROKU PHOTO INDUSTRY CO. LTD. NOTICE TO EDR HOLDERS

NOTICE IS HEREBY GIVEN that copies of the above Company's Annual Report for the year to April 20, 1985 are available at the office of the Depositary. The Chese Manhattan Bank, N.A., Woolgste House, Coleman Street, London EC2P 2HD, and of the Depositary's Agent, Chese Manhattan Bank, Luxembourg S.A., 47 Boulevard Royal, Luxembourg. Copies are elso available at the office of the Paying Agent,

Hevard Royal, Luxa THE CHASE MANHATTAN BANK, N.A. October 1985 London, as Depositary



(Incorporated in the Republic of South Africa) ("Egoli") Closing of registers The registers of the ordinary shareholders of Egoli will be closed from 16h30 on

Friday, 25 October to 16h30 on Friday, 1 November 1985. Accordingly the last day for ordinary

Egoli Consolidated

Mines Limited

shareholders of Egoli to register in order to participate in the rights offer of 12 000 000 shares in West Witwatersrand Gold Holdings Limited at a price of 100 cents per share renounced by Egoli in favour of its shareholders will be Friday, 25 October

By order of the board

**Investments and Technical Management Limited** Secretary per: DTJ Lonsdale

Friday, 11 October 1985

AND THE PERSON AND THE

# INTL. COMPANIES & FINANCE

# Noranda faces a hard winter as losses and debts mount

A RESPECTED Canadian min-ing analyst raised a few year three times the 1984 loss. chuckles at the Toronto Society The state of Noranda's bal-

his crystal ball was Noranda, the troubled zinc, copper, potash and gold producer, with extensive interests in forest products, aluminium, wire and cohic manufacturing and com-

sistently failed to materialise. Just two months ago, the company's second quarter report expressed confidence that commodity prices would strengthen after Labor Day, bringing hopes of an improved financial per-formance in the second half of the year. Noranda suffered C\$24.3m (U.S.\$17.8m) loss between January and June, with earnings from metals and

minerals 40 per cent lower than a year earlier.

But Mr Alfred Powis, chair-man and chief executive officer (and a metals analyst himself earlier in his career), concedes that "things got worse over the course of the summer." Instead of rising returns, Noranda cut its zinc price by 3 U.S. cents on September 23 to 38 U.S. cents a pound for high-grade material.

inally expected to be about the same as the 447,000 tonnes mined in 1984, will probably end up about 15 per cent lower. Two other milistones around Noranda's neck, wood pulp and aluminium, are also weighing heavily on its results. Second quarter earnings from forest products slumped by 62 per cent to C\$2.6m. Income from manuto C\$2.6m. Income from manufacturing, which includes aluminium operations, sank from conver-based gold, silver and C\$11.4m to almost zero. According the producer, for C\$334m.

The Powis, Noranda's Since then, it has sold its 45 to the producer of the producer of the producer.

The company has lost C\$138m C\$34m. since the beginning of 1982, Mr Thomas Byrne, mining analyst at the Toronto securities firm McLeod Young Weir, forecasts

The state of Noranda's bal-ance sheet also gives cause for concern. While the value of of Financial Analysts' annual forecast dinner last month by recalling that one share which he had urged investors to buy a year ago had lost more than a quarter of its stock market value since then.

The company that tarnished his crystal ball was Noranda, the troubled zinc, copper, potash and gold producer, with a stock matter of the debt matures in 1986, although the bulk is in the form of revolving credits which are of revolving credits which are normally extended year by year.

manufacturing, and commodity trading.

Like the mining analyst,
Noranda's repeated predictions of better times ahead have consistently failed to materialia. equity ratio is an unsatisfactory one-for-one, which does not take into account. Noranda's 45 per cent stake in Macmillan Bloedel, the big British Columbia forest products company, which has interest-bearing debt close to Cathe.

Noranda's largest share-holder, with 43 per cent, is Brascade Resources, part of the Brascan empire controlled by Peter and Edward Bronfman, nephews of the founder of the Seagram drinks group. Bras-can's concern at Noranda's stretched financial position appears to have contributed to its recent decision to dispose of its 25 per cent stake in Scott Paper, the Philadelphia paper maker and distributor.

Noranda ran up heavy debts in the mid-1970s. Interest rates are now much higher relative to commodity prices, and inter-est payments climbed to C\$129.3m in the first half of 1985 from C\$102.7m a year be-

Reducing the debt burden has. become Noranda's highest pri-ority, and management hopes to

creduce borrowings by about C\$1bn by mid-1986.

A start was made in August when the company disposed of its 31 per cent holding in Placer Development, a Vancouverhand suite and convented to the ing to Mr Powis, Noranda's Since then, it has sold its 45 third quarter results, due to be per cent stake in Pamour Porpublished soon, "are going to cupine Mines, a high-cost be dreadful."

Ontario gold producer, for

Canadian oil and gas company, which had assets of C\$514m at the end of last year. Canadian Hunter's oil and gas liquids from office output is expected to reach macuticals, 7,000 barrels a day by the end

According to Mr Powis, "we're going to stay in the oil and gas business, though we could sell off a piece of it." Parts of the forest products division may also be put on the block. Noranda has invested C\$1.8bn noranda has invested carous in the past four years, mainly to modernise aluminium, zinc and paper capacity. Until its financial situation improves

An upturn in metal and pulp prices seems to be Noranda's only hope for a quick, relatively painless recovery

however, Mr Powis says that capital spending will be curtailed to match cash flows. This year's outlays remain remain heavy as the Golden Giant gold mine in the Hemlo area of western Ontario is brought to full production and a Quebec subsidiary completes C\$137m project to instal a rolling mill in Alabama earlier this year.

But Mr Powis predicts that Noranda is reopening two the capital budget will shrink mines in British Columbia, the from C\$400m this year to Bell Copper Property and from C\$400m this year to Bell Copper Property and C\$200m, and perhaps even less, Brenda Mines, a copper, gold

community by unexpectedly coughing up C\$74m last month to Canada. Further measures are expect to buy a 10 per cent interest and tax concessions granted by ted to include a cut in in Canada Development Corthe provincial government and Noranda's 87 per cent holding in poration, the conglomerate workers willingness to accept

privatised by the federal government in Ottawa CDC's diverse interests range main businesses appear to complement Noranda's. CDC owns Kidd Creek Mines, the owns Kidd Creek Mines, the northern Ontario zinc and copper producer, which ships concentrates to a Noranda refinery. There may be scope for both companies to save money by rationalising smelters, which Kidd Creek has been expanding. Another CDC subsidiary, Canterra Energy, is a substantial oil and gas producer in western Canada.

Mr Powis defends the invest-

Mr Powis defends the invest-ment in CDC by arguing that "the priority is to take a billion dollars out of our debt, going to stop doing every-thing. He adds that "if thing." He adds that "if another Hemlo came along, I wouldn't pass it up."

Mr Powis describes the purchase of CDC shares as a "strategic investment," adding that a 10 per cent interest "is about all we could afford Maybe I'm convinced that the upturn will come, but I don't think I should bet the company on it."

on it."

An upturn in metal and pulp prices seems to be Noranda's only hope for a quick, relatively painless recovery.

The Golden Giant mine, 50 per cent owned by Noranda, is

operating costs of less than U.S.\$100 an ounce. The mine will not reach full production of 3,000 tonnes of ore a day (with an average grade of about 9 grammes a tonne) until 1987 and expensive underground development work remains to be done. Looking further in the future there is the possibility of ex-ploiting a high-grade gold deposit in Alaska.

On the other hand, Noranda has confused the investment community by unexpectedly coughing up C374m land reopen them is based on power

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# **British Telecommunications plc**

has acquired 84.3% of the Common Stock and 90.2% of the Warrants of

CTG, Inc.

The undersigned initiated this transaction, assisted in the negotiations, acted as dealer manager for the tender offer in the United States and served as financial advisor to British Telecommunications plc.

U.S. \$225,000,000



# Crédit Lyonnais

Floating Rate Notes Due October 1996

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 11th October, 1985 to 11th April, 1986 the Notes will carry an Interest Rate of 8½% per annum. The interest amount payable on the relevant Interest Payment Date which will be 11th April, 1986 is U.S. \$429.72 for each Note of 115 cm non

Credit Suisse First Boston Limited Reference Agent

U.S. \$100,000,000

## ÖSTERREICHISCHE LÄNDERBANK

(Incorporated in the Republic of Austria with Limited Liability)

Floating Rate Subordinated Notes Due 1999

In accordance with the provisions of the Notes, notice is bereby given that for the six month Interest Period from 11th October, 1985 to 11th April, 1986 the Notes will carry an Interest Rate of 87.75 per annum. The interest amount payable on the relevant Interest Payment Date which will be 11th April, 1986 is U.S. \$213.28 for each Note of U.S. \$5,000.

> Credit Suisse First Boston Limited Agent Bank



# Telefonaktiebolaget LM Ericsson

**DKK 300,000,000** 9% per cent. Notes due 1990

Copenhagen Handelsbank A/S

Svenska Handelsbanken Group

Algemene Bank Nederland N V **BankAmerica Capital Markets Group Bankers Trust International Limited** Banque Nationale de Paris

Berliner Handels - und Frankfurter Bank Citicorp Investment Bank Limited

Creditanstalt-Bankverein Credit Suisse First Boston Limited First Interstate Capital Markets Limited

**Hambros Bank Limited Lloyds Merchant Bank Limited** 

Merrill Lynch Capital Markets Morgan Guaranty Ltd

PKbanken

Société Générale

Swiss Bank Corporation International Limited S.G. Warburg & Co. Ltd.

**Amro International Limited** Bank Brussel Lambert N.V. Banque Internationale à Luxembourg S.A. **Banque Paribas Capital Markets** Chase Manhattan Capital Markets Group Commerzbank

Enskilda Securities Skandinaviska Enskilda Limited

Crédit Lyonnais Deutsche Bank Capital Markets Limited

> Kredietbank International Group **Manufacturers Hanover Limited** Morgan Grenfell & Co. Limited

Morgan Stanley International Salomon Brothers International Limited

Union Bank of Switzerland (Securities) Limited Westdeutsche Landesbank Girozentrale

September, 1985



Development Bank of the Philippines

U.S.\$30,000,000 Guaranteed Floating Rate Notes due 1990 Guaranteed by the Republic of the Philippines in accordance with the provisions of the above Notes, notice is hereby given that for the six months from 9th October 1985 to 9th April 1986 the Notes will carry an interest rate of 84%

The interest psyable on each U.S.55,000 Note on the sele nt date, 9th April 1986 against Coupon No 8

Agent Bonle Lloyds Bank International



CREDIT COMMERCIAL DE FRANCE U.S.\$100,000,000 Floating Rate

Notes due 1992

For the six month period 10th October 1985 to 10th April 1986 the notes will carry an Interest Rate of 8.425% per amum, with a coupon amount of US\$425.93 per US\$10,000 Note payable on 10th April 1986

Listed on the Luxembourg Stock Exchange By: Bankers Trust Company, London Agent Bank



## Floating Rate Notes Due 1992

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 9th October, 1985, to 9th April, 1986, the Notes will carry an Interest Rate of 82% per annum and the Coupon Amount per U.S.\$10,000 will be U.S.\$436.04.

Merrill Lynch International Bank Limited

NOTICE OF REDEMPTION

## **Den norske Creditbank** U.S.\$20,000,000

Floating Rate Subordinated Capital Notes Due 1990

NOTICE IS HEREBY GIVEN that pursuant to Condition 5(c) of the Notes, Den norske Creditbank (the "Company") has elected to redeem on November 13, 1985 (the "Redemption Date") all of its outstanding Floating Rate Subordinated Capital Notes due 1990 (the "Notes") at a redemption price equal to the principal amount thereof plus interest accrued to the Redemption Date. On and after the Redemption Date, nterest on the Notes will coase to accrue.

The Notes should be presented and surrendered to the paying agents as shown on the Notes on the Redemption Date with all interest coupons aturing subsequent to said date. Coupons due November 13, 1985 should be detached and presented

Den norske Creditbank

October 11, 1985 By: Citibank, N.A. London, Principal Paying Agent (CSSI Dept).

**CITIBAN(** 

Series 031

#### U.S.\$28,000,000

Short-term Guaranteed Notes issu<u>ed in Series under a</u> US\$280,000,000 Note Purchase Facility

#### bγ Mount Isa Mines (Coal Finance) Limited

Notice is hereby given that the above Series of Notes issued under a Production Loan and Credit Agreement dated 30th March, 1983, carry an Interest Rate of 81% per annum. The Issue Date of the above Series of Notes is 15th October, 1985, and the Maturity Date will be 15th April, 1986. The Euro-clear reference number for this Series is 14139 and the CEDEL reference number is 580970.

Manufacturers Hanover Limited Issue Agent

11th October, 1985

#### **DAIWA EUROPE LIMITED** JAPANESE EQUITY WARRANTS SERVICE

ISSUER-Warrant

U.S. \$400,000,000



## The Kingdom of Belgium

Floating Rate Notes Due October, 2004

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 11th October, 1985 to 11th April, 1986 the Rate of Interest on the Notes will be 81/2% per annum. The interest payable on the relevant Interest Payment Date, 11th April, 1986 will be U.S. \$10,743-06 per U.S. \$250,000 Note.

Agent Bank: Morgan Guaranty Trust Company of New York London

# INTL. COMPANIES & FINANCE

# Complex outlook for Thai retailers

Bell, although estate agents say Bangkok does not face a partitis the Mah Boonkrong Centre, Bangkok's newest shopping complex, and it is probably one of South-east Asia's biggest, at least until Singapore's Marina Square opens next year.

Bell, although estate agents say Bangkok does not face a particularly critical problem on the office space front.

For the department stores themselves it is a different story. Simultaneously and in the story.

A few blocks away stands the newest Robinson's, which has opened three stores in five years. Up Ploenchit, one of the Thai capital's main thorough-fares, is the Big Bell department store, just one year old this month: it has live tigers in its pet shop.

In between the two lies the new Amarin Plaza, with Greekstyle columns and Bangkok's style columns and Bangkok's first McDonald's, right next door to Gucci and Guy Laroche. Over the road is 'Thailand's acknowledged market leader, Central Department Store, which spearheaded the shopping complex craze with the first acknowledged.

so rapid that estimates both by the Bank of Thailand, the country's central bank, and by local estate agents, point to a serious oversupply of retail space in the capital area. Banks are being encouraged not to finance more projects, while Man Boonkrong Centre, named after its developer, is said to be offering rents to prospective tenants which are pegged to sales.

For our business if price-cutting wars start, though we will only have to suffer less profit."

Mr Wanchai Manapitakpong, who came to Big Bell with 20 paimaru, another big name in Bangkok retailing, says business conditions have turned out to be more difficult than expected this year and 1986 looks like being no better. But while turnover and profit will be worse

Many of the newest complexes have offices or hotels learnerising high above them. Mah ness." Boonkrong Centre, which is How things reached this stage open but still unfiinished, has so quickly is a story of how the both; so does Central Depart-copying of a successful idea can

BY OUR FINANCIAL STAFF

New Issue

At the same time control of A\$41.4m.

Hanimex is to pass from Burns Five we

IT'S CALLED the Marble City, ment Store's suburban complex. and it features a discotheque. New office space is available in style roller-skating rink called Amarin Plaza and above Big Diamond Skate and red phone Bell, although estate agents say

story. Simultaneously, and in apparent neglect of each other's plans, several have become involved in similar projects which are maturing at a time when the economy is showing its slowest growth in years. The effect on profits is bound to be

of the modern Thai department stop shopping" at individual store is in turn a reflection of air-conditioned complexes which the country's rapidly changing

the country's rapidly changing economy and society.

Back in the early 1970s two department stores dominated the market—Central Department Store, which is controlled by the Chirathivat family, and Thai Daimaru, which is Thaicontrolled but linked to Daimaru of Japan.

Then, as Mr Sudhitham explains it, a point came some 10 years ago when growing

10 years ago when growing volumes of Thai-manufactured

Chris Sherwell, recently in Bangkok, examines the rapid development of western-style shopping centres in the capital

negative; certainly there are household products began to few smiling faces among store need outlets to meet building managers, and some price wars and rationalisation seems infew smiling faces among store managers, and some price wars

complex craze with the first suburban operation in 1981.

"There are now too many stores going in the same direction," says Mr Sudhitham wedding cake as its latest gimmick.

The development of these complexes in Bangkok has been so rapid that estimates both by the Bank of Thalland, the country's country's country's country's country and hy the same start, though we will only support the suffer less profit.

over and profit will be worse than anticipated, he says "we've learned a lot about this busi-

HANIMEX, the Australian it said.

photographic and audio-visual The placing price of A\$1 for group, said yesterday it was to buy Vivitar, the California company known primarily for its camera lenses, for A\$26.7m (US\$18.6m).

At the came time control of A\$31 for disposal by Burns Phits of its holding is conditional on the U.S. acquisition going through. Burns Philip, which has held a its camera lenses, for A\$26.7m (US\$18.6m).

At the came time control of A\$31 for disposal by Burns Phits of its holding is conditional on the Burns Philip, which has held a majority stake in Hanimex since 1980, said it was ending its presence because the com-

**Federal** 

Farm Credit Banks

**Consolidated** 

**Systemwide Bonds** 

10.25% \$512,000,000

SERIES I-1988 CUSIP NO. 313311 NV 0 DUE APRIL 20, 1988 Interest on the above issue payable April 20, 1986, and semiannually thereafter.

A\$11.4m. its presence because the com-Five weeks ago, Hanimez pany did not fit into its strategy

of a new form of retailing in which producers leased space in a store to sell their wares themselves. This culminated in straight copy but no relation to the well-known Singapore store, and Big Bell.

By the 1980s the modern

The result was the emergence

shopping plaza began appear-ing, usually comprising an anchor tenant and a multitude of small retailers. At Mah Boonkrong Centre and Amarin Plaza, for example, the main tenants are Tokyu and Sogo,

Thais themselves meanwhile

October 10, 1985

undermine it. The evolution begin to see advantages in "one of the modern Thai department stop shopping" at individual offer better service, quality and reliability as well as con-venience and a pleasant ambience. Tokyu even offers

cashless shopping, part of a direct debit system in from customers' bank accounts. Yet one of the most visible oddities about all these developments is that, even now, young vendors with single plastic trays of counterfeit brand-name socks or tables-full of cheap pirated cassette tapes still stand on the pavements outside the stores successfully touting their

wares. Likewise, street vendors of traditional-style food continue to cater cheaply to their Thai customers, some right outside complexes which offer all varieties of hamburger, ice cream and coffee as well as more sophisticated Western

These traditional activities remains a poor country: most stores are still beyond the reach of the bulk of Bangkok's popu-lation. Central Department Store aims at the other end of the spectrum, at the well-off and expatriates, while Robinson's and Big Bell target themselves lower and towards young

people.
This does not mean the stores are not a threat to each other. They often sell similar goods in what is obviously a finite market, and competition is intense, as the advertising campaigns and gimmicks testify. stores. The small retailers are typically boutiques and jewellers, with plenty of coffee shops and eating houses. Mah stores or something similar, Boonkrong is so large it also has a range of cars in a "Nissan Gallery."

Thais themselves wear the stores of evolution has some large to the process of evolution has some large.

# Hanimex to take over Vivitar

hit Burswood By Keith Wheatley in Perth

the future of Perth's new casino and hotel complex were warned yesterday that cost over-runs will increase the A\$210m (U.S.\$146.4m) construc-Pailine is to pass from burns five weeks ago, Hanimez pany did not it its classification announced attributable net of concentrating on core businand foods group which profits for the year to June attributable net of concentrating on core businand foods group which profits for the year to June nesses.

61.5 per cent stake for A\$25.3m. of A\$2.4m, up slightly from acquisition partly through a from A\$153.3m to A\$208.6m. one-for-two rights issue, details with two institutions, clients of the approval of shortly. tion budget by A\$60

The share price fell sharply at the news, announced at the first annual meeting of the Burswood Property Trust, its perator. The stock closed at 32 cents, the lowest since its flotation in June when it touched 82 cents. The issue was hugely over-subscribed and the

company was valued at A\$220m Mr Dallas Dempster, the chairman, blamed spiralling building costs for the budget problems. The casino is due to open at Christmas, five months ahead of schedule.

Genting Barhad, his Mi

partner, has an identical hold-ing. The company plans to fund the deficit by borrowing A\$10m and creating a second share issue to raise the balance of

A\$50m.

The bulk of the equity not held by the two partners is mainly with small individual West Australian investors.

# Perth casino cost over-runs

INVESTORS GAMBLING OF

Financial Times Friday October 11 1985

U.S. \$100,000,000

**B.B.L.** International N.V. (Incorporated with limited liability in The Netherlands and having its statutory seat in Amsterdam)

Floating Rate Notes Due 1999

Guaranteed on a Subordinated Basis

as to payment of principal and interest by

Banque Bruxelles Lambert S.A./

Bank Brussel Lambert N.V.

(Incorporated with Amited HabiRty in Belgium)

In accordance with the provisions of the Notes, notice

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 11th October, 1985 to 11th April, 1986 the Notes will carry an Interest Rate of 8½% per annum. The interest amount payable on the relevant Interest Payment Date which will be 11th April, 1986 is U.S. \$213.28 for each Note of U.S. \$5,000.

**Credit Suisse First Boston Limited** Agent Bank

## crédit foncier de france

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September 1

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Guaranteed Floating Rate Notes 2000

unconditionally guaranteed, as to payment of principal and interest, by

The Republic of France

In accordance with the provisions of the Notes, notice is hereby given that, for the three months period, 9th October, 1985 to 9th January, 1986, the Notes will bear interest at the rate of 1114 per cent. per annum. Coupon No. 4 will therefore be payable at the rate of £740.41 per coupon from 9th January, 1986.

> S.G. Warburg & Co. Ltd. Agent Bank

# sveimer U.S. \$100,000,000

Floating Rate Participation Certificates Due 1992 issued by Morgan Guaranty GmbH for the purpose of making a loan to

> Istituto per lo Sviluppo Economico dell'Italia Meridionale

(a statutory body of the Republic of Italy incorporated under Law No. 298 of April 11, 1953)

In accordance with the terms and conditions of the s, the rate of int Period 11th October, 1985 to 12th November, 1985 has been fixed at 83%%. Interest acrued for the above period and payable on 13th January, 1986 will amount to US\$74-44 per US\$10,000 Certificate.

Agent
Morgan Guaranty Trust Company of New York London Branch



# £ 1 million a day\*

That's the turnover for Darty, France's leading electronic goods and electrical appliance retailer.

Would you like to know more? For the 1984-85 Annual Report mail the coupon to: Cristopher Dollard

30 Farringdon Street London EC 4A 4EA or call: (01) 634 1000

please, send me a copy of Darty's Annual Report.

\*1984-85 Turnover: FF 4,306 million (£ 374.5 million at the exchange rate of £ 1 = FF 11.5).

NOTICE OF CALL AND REDEMPTION To the Holders of The Bank of Tokyo, Ltd., Portland Branch

US\$10,000,000.00 Callable Negotiable Floating Rate
Certificates of Deposit due October 27, 1986 (the "Certificates")

Notice is hereby given that, pursuant to the provisions of the Certificates. The Bank of Tokyo, Ltd., Portland Branch ("the Bank") will prepay the outstanding principal amount of the Certificates identified below in full on October 28, 1985, the next interest Payment Date, together with the interest accrued to that date. Payment will be made against presentation and surrender of said Certificates at The Bank of Tokyo Trust Company at 100 Broadway. New York, NY 10005. The Certificates being called are as follows:

Principal Amount of Certificates Aggregate Principal Amount April 27, 1983 \$600,000.00 \$2,400,000.00 April 27, 1983 \$400,000.00 \$800,000.00 April 27, 1983 \$800,000,00 \$800,000.00 April 27, 1983 \$6,000,000.00 \$6,000,000.00

The Bank of Tokyo, Ltd., Portland Branch, 411 SW 6th, Portland, Oregon, 97204

Agent Bank

Common Stock

E. F. Hutton & Company Inc.

THE MORTCAGE BANK AND FINANCIAL ADMINISTRATION ACENCY OF THE

Rate Notes Due 1994 Series 91

In accordance with the terms and conditions of the Notes, notice is hereby given that for the three months interest period from 9th October 1985 the Notes will carry a role of interest of 11½456 per around. The relevant interest Payment Date will be 9th January 1996. The Compon Amount per 55,000 will be 21:48-87 payable against Survender of Couptn Nor 8

\$8,511,150

First Republic Bancorp Inc.

The English Trust Company Limited

KINGDOM OF DENMARK 250,000,000 Coarsen

THE KINGDOM OF DENMARK

Hambros Bank Limited

The Bonds are the joint and several obligations of The Thirty-seven Federal Farm Credit Banks and are issued under the authority of the Farm Credit Act of 1971. The Bonds are not Government obligations and are not guaranteed by the Government. Bonds are Available in Book-Entry Form Only.

Federal Farm Credit Banks **Funding Corporation** The Farm Credit System This announcement appears as a matter of record only.

**Price 100%** 

90 William Street, New York, N.Y. 10038

Dated October 21, 1985

he undersigned assisted in the private

The good news is

Selling technology

Medical

spin-off

from space

SOVIET SPACE technology

may bring relief to people in

the West with eye problems. Diversified Tech of Salt Lake

City has acquired rights to

market a drug delivery system

called SODI, which slowly releases medicine into people's eyes in place of

using conventional eye drops.

SODI is a small oval wafer

made from polymer contain-

ing a drug-for instance, to

treat conditions such 25

between eyelid and eyebali

rather like a contact lens.

glaucoma. This is placed

# TECHNOLOGY

EDITED BY ALAN CANE

# Cheaper chips for full automation

where all computer and producwhere an computer and produc-tion equipment are interlinked to achieve maximum efficiency are already economically feasible according to a tiny year-old Californian company called Industrial Naturalising Industrial Networking.

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UCE

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Care

INI has developed two chips which have overcome a big tech-nical barrier to full factory automation: the inability of different types and makes of computer and digital industrial control systems to communicate with each other economically at

Robots, numerically controlled machine-tools, mechanical hand-ling equipment, automated ware-houses and computer-aided design/engineering/manufacturing systems can now be cost-effectively linked in a network which minimises waste, over-beads and manual supervision, and maximises productivity, quality, growth and competive-

The two chips replace hundreds of conventional chips that would normally be needed. bringing a dramatic reduction in the size and cost of network equipment and making it possible to achieve twenty-fold reductions in costs.

INI has already used the chips in a modular local-area network (LAN) which the company laims is the first to meet the

Frank Brown reports on a young Californian company whose new chips could cut the cost of interconnecting components in the automated factory

requirements of all seven layers of the General Motors-sponsored Manufacturing Automation Protocol (MAP) industrial digital working with token-passing the first very large scale integrated chips for general-purpose networks in 1982 and began working with token-passing communications specification.

The company has also developed a modern (transmit/receive unit) for interfacing, receive unit) for interfacing, the various types of automation equipment to the MAP network. The use of board-level rather two-chip set uses low-than box-level interfaces makes power CMOS gate-array techthe integration of factory auto-mation systems far easier and and data link operations are fined by the two lower layers of the MAP 2.1 communications specification. The other five layers of the MAP model are provided by software developed the INV

increases reliability and net-work performance, according to Mr Joseph P. Schoendorf, INT's president and chief executive. INI is a joint venture formed in October 1984 by General Electric of the U.S. and Ungermann-Bas, a company which specialises in developing

chips for communications applications.
"Ungermann-Bass introduced

INI's token-bus and broad hand modem technologies were key factors in the young company being chosen to supply LANs for a major General Motors automation programme.

The project, now under way in five GM truck and bus plants, involves interconnecting robots, programmable controllers, auto-mated guided vehicles and

INI will be supplying MAP One communications products for GE's internal MAP developments. It has also been named a LAN supplier to Intel, Motorola and GMF Robotics.

GE is an important force in industrial automation by any standards. It has invested more than \$2hn on improving produc-tivity in its 330 plants worldwide over the past five years as part of a massive modernisa-tion programme which is cur-rently absorbing more than \$500,000 a year.

MAP One will undoubtedly be a cornerstone of future growth in GE's industrial automation sales. The company plans to introduce it into Europe later this year.

Meanwhile, it forms a key ele-Meanwhile, it forms a key element in a new \$8m automation ing manufacturing cell embodycentre which GE has establing the latest hardware and soft the finished components for



Two chips could transform traditional production processes Chevrolet plant in Detroit

shed in Frankfurt. West Ger- ware techniques linked by a many, to help managements of INI MAP One network.

European companies study, plan and implement cost-effective industrial automation strategies and systems.

INI MAP One network.

An automated guided vehicle carries parts to robots which feed them into machine tools and an industrial laser which

The cell is ringed by demon-

transport to an automated ware

stration rooms which collectively cover particular areas of INI can be contacted in

#### It was originally developed to help cosmonauts who cannot use eye drops in weightless conditions. As the water dissolves, the drug is released at a constant rate into the eye, a process that can be varied to last between 12 and 24 hours. The dissolved polymers leave the body through tear ducts.

Diversified Tech has applied to the Food and Drug Administration for per-mission to sell the product in which has a European office in Brussels, plans to seek Department of Health and Social Security approval to market the device in Britain.

More on 0101 801 364 5407.

## Training course with Ada

HIGH Integrity Systems of Sawbridgeworth. Hertford-shire, is selling training courses to electronics and computer manufacturers on Ada, a computer language adopted by the U.S. Depart-ment of Defence for military hardware. The company says it has taken orders worth £180,000 for training courses from three UK defence con-

### Integrated circuits for intercoms

EXAR Corporation of Burnham Bucks, has developed a pair of chips which can implement most of the audio functions of intercom systems. londspeaking telephones and cellular radio telephones.

One of the chips looks after the andio path and contains two variable amplification circuits a microphone ampli-fier, receive and transmit amplifiers and a loudspeaker output circuit.

The other deals with sensing and control functions such as background noise suppression and the volume reduction switching necessary to prevent the squealing noises produced by sudio feedback between microphone and loudspeaker.

The products are distri-buted by Microcall of Thame,

MOST PEOPLE like John Cleese's brother-in-law and almost everybody knows Charlie Chaplin, but Barbara Woodhouse and Heinz Wolff are well down in the popularity stakes.

That is how Britain's per-

sonal computer dealers, at any rate, see some of the recent character-based advertising for professional personal com-puters, according to a new industry survey.

Among pages of sober statistics demonstrating market

approval of dealers is Compaq's John Cleese, IBM's Charlie Chaplin has an even split across the board with 31 per cent of dealers rating it highly, 33 per cent medium and 29 per cent

Oxford 1993 SHE STREET HOUSE with pet PC the Olivetti on the market.

## Dealers pass judgment on Charlie Chaplin Professional Personal The survey is the second in a series fo market monitoring

reports carried out every two months in the UK by Context, Computing a new market research con-sultancy. Its first report dealt only with specialist dealers. The current one takes a broader approach. The Context analysis shows,

statistics demonstrating market shares for the leading personal computers, it reveals that dealers have a pretty poer impression in general of computer advertising campaigns.

It notes: "The only campaign begasses Software with 12 is cent of the total market."

Second with 11 3 per cent for example, that the micro-computer package which sold best through dealers between June and August was Pegasus, an accounting package from Pegasus Software with 12.8 per Pegasus Software cent of the total market.

Second with 11.3 per cent was sophisticated coupled to a database handler spreadsheet, and third came the and a graphics tool.

Pegasus, which has recently written the Teamwork special secounting software for IBM,

working with token-passing technologies more than two years ago. Because of this ex-

perience, we were able to develop the MAP chip set in

an exceptionally short time," Mr Schoendorf said,

nology to perform the physical and data link operations de-

Because MAP One offers an

application-layer interface to the network, applications soft-ware can communicate over the network without the user hav-

Accounting is clearly the Multisoft, the number two most popular use of the pro-fessional personal computer per cent, and almost half the with 31 per cent of total sales being taken by accounting pack-Dealers are not putting their

Dealers are not putting their

being taken by accounting packages compared to only 19 for integrated packages.

Integrated packages are best would be the best selling softexemplified by Lotus 1-2-3, ware in six months time, 25 per which is basically a very cent opted for Lotus 1-2-3, 14 sophisticated spreadsheet coupled to a database handler and a graphics tool.

Pegasus. which has recently

In hardware, the survey again emphasised the hold IBM has cent medium and 29 per cent low, while most of the rest have in the period, accounting to dominates the accounting packing trade."

That means Epson's campaign featuring Heinz Wolff a third Lotus package, Jazz, boyse, with pet PC the Olivetti

Would account the Teamwork special accounting software for IBM, on the personal computer the top IBM compatible."

About 38,200 units ewre sold accounting software for IBM, on the personal computer market. Its standard PC was to with 13.8 per cent of the top IBM compatible."

About 21 per cent of special market. Its standard PC was to with 13.8 per cent of the top IBM compatible."

About 21 per cent of special market. Its standard PC was to with 13.8 per cent of the packages, 1.2-3 and Symphony; a third Lotus package, Jazz, it was last time when we looked the Apricot PC, compared with only 18 per cent of dealers when the treamwork special accounting software for IBM, on the personal computer the top IBM compatible."

About 21 per cent of special market. Its standard PC was to with 13.8 per cent of the packages, 1.2-3 and Symphony; a third Lotus package, Jazz, it was last time when we looked the Apricot PC, compared with only 18 per cent of dealers with only 18 per cent of the top IBM compatible."

About 21 per cent of the top IBM compatible."

About 21 per cent of the top IBM compatible."

About 21 per cent of the top IBM compatible."

About 21 per cent of the top IBM compatible."

About 21 per cent of the top IBM compatible."

About 21 per cent of the top IBM compatible."

About 21 per cent of the top IBM compatible."

About 21 per cent of the top IBM compatible."

About 21 per cent of the top IBM compatible."

About 21 per cent of the top IBM compatible."

About 21 per cent of the top IBM compatible."

About 22 per cent of the top IBM compatible."

About 21 per cent of the top IBM compatible." After Pegasus, the market is party add-ons are used to boost all the machines available, 29 extremely fragmented with the performance of the basic per century of dealers stock

The XT, the hard disk version, is in second place with 8.8 per cent of sales and the Apricot in third position with 7.0 per cent just ahead of Olivetti's M series, The Macinch Arable's exchangement of past tosh, Apple's controversial new machine, had 4.8 per cent of sales although the tried and trusted Apple II held 5.6 per cent of sales. Context notes: "Olivetti's sales now show themselves in

a way which they did not when only specialist outlets were "The office retailer sales have helped bring

in Canon and Sanyo.
"Olivetti and Compaq clearly have a major battle on their hands for shelf-space as the top IBM compatible."

Apricot models against only 20 which stock IBM and 11 per cent which stock Olivetti. So the average turnover for an Apricot dealer is smaller than for an IBM dealer and Apricot has to work harder than IBM to achieve its sales.

The analysis becomes more interesting when correlations

interesting when correlations are made between hardware and software stocked and sold According to Context dealers stocking major hardware brands generally sell more software than the average. This is especially true of Compaq dealers and Apricot dealers in accounts, it says. The survey also gives statistics which enable profiles of dealers to be drawn up: it shows, for example, that more than 40 per cent of IBM dealers have been open for six years or more, against 23 for Apricot and 17 for Compaq.

It makes the telling point that just over one quarter of all dealers have opened up since the second half of 1983—and for Apricot and Compag this goes up to one third. Context is on 01-938 2151.

ALAN CANE

# AREYOUR ASSETS SAFEP

# OR IS YOUR COMPUTER TOO **USER FRIENDLY?**

Unauthorised access to even the most sophisticated computer system is increasingly leading to loss of assets, fraud and destruction or altera-

Moreover, the Data Protection Act now in force, puts a new onus on data and computer users to prevent illegal entry and disclosure of informa-

The Horatius Data Security System provides effective protection for computer systems with remote terminals connected over the telephone

Horatius is a sophisticated access controller which quite simply prevents system entry by any unauthorised persons. Only users with a terminal connected to a telephone number corresponding to their password and stored in the Horatius memory, will be "dialled-back" with

Designed and developed by Dowty, a U.K. leader in data communications, the installation of Horatius is completely system independent.



TODAY'S SOLUTION TO DATA SECURITY

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FINANCIAL TIMES SURVEY I

**NOVEMBER 26 1985** 

ADVERTISEMENT COPY DATE NOVEMBER 15 1985

The Secretary of State and the Industry Minister are both de-termined to look critically at their inheritance. A review of progress in the Province and a look at prospects.

recently sectived its first Japanese Investment. U.S. groups, including a number of newcomers, are also making a continuing contribution to the Province's aconomy, particularly in high-technology fields. The order intake in shipbuilding and aerospace has also been encouraging. Developments in these and other sectors.

ECONOMY The economy has stabilised but it remains heavily dependent on public spending. This has produced its own distortions, with those in employment enjoying living standards on a par with the rest of the U.K. Overall public spending is likely to be maintained though its allocation is being reviewed.

Northern Ireland may have a major new source of domestically produced energy available to it in the lignite deposits now being investigated in Co. Antrim. In a further move on the energy front, a major power station is to be converted from oil to coal at a cost of £70m. This article will review energy developments

POLITICS
The survey is being published at a critical time in the history of Northern Ireland, as negotiations between London and Dublin over a new Anglo-irish relationship reach their climax. Publication will take place shortly after details of the talks have been released, so that a full assessment of their implications can be included. As such the survey is likely to attract a wide readership among potential investors interested in the prospects for further stability within Northern Ireland.

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To the Holders of



Sociétés de Développement Régional France

DM 100,000,000 6 ¼ % Bearer Bonds of 1977, due 1983 - 1992 - Security Index No. 471 791/800 -

> **Drawn for Redemption on** December 16, 1985

Notice is hereby given that, pursuant to Article 3 of the Terms of Issue, on October 2, 1965 the third series of Bonds in the principal amount of DM 10,000,000 was selected by lot for redemption on December 16, 1965 in the presence of a Notary Public.

The Bonds selected for redemption are those of the Series 4 Security Index Number 471 794 bearing the following serial numbers: 15 001 - 20 000 of DM 1,000 each

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a) In the Federal Republic of Germany Including Berlin (We Bayerische Vereinsbank Aktiengesellschaft, Munich, Drescher Bank Aktiengesellschaft, Frankturt am Mein, Vereins- und Westbank Aktiengesellschaft, Hamburg, and their branches;

 b) outside the Federal Republic of Germany at Banque Nationale de Parts, Paris, Banque Paribas, Paris, Société Générale, Paris, Société Générale Alsacienne de Banque, Strasbourg,
by a DM cheque drawn on a German bank or by credit to a
DM cheque drawn on a German bank or by credit to a

Interest on the Bonds selected for redemption shall cease to accrue at the end of the day immediately preceding the redemption date. The amount of any missing interest coupons shall be deducted from the principal amount.

Notice Several Bearer Bonds of the series 7 and 1, called for redemption on December 18, 1983 and 1984, have not yet been presented for

Lyon, Strasbourg, Liffe, Nantes, Rouen, Besancon, Reims, Nancy, Montpellier, Remnes, Amiens, Marseille, Limoges, Bordazux, in October 1985

Société de Développement Régional du Sud-Est Société Afsacienne de Développement et d'Expansion SADE Société de Développement Régional du Nord et du Pas-de-Calais Société de Développement Régional de l'Ouest SODERO

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**Burnett** 

offshoot

management

Burnett & Hallamshire, the troubled coal and property group, yesterday took another step in the process of ridding itself of non-core activities.

The company announced that the executive directors of its

The company announced that two executive directors of its polyurethanes subsidiary, Hallam Polymers and Engineering, had bought the offshoot for £347,000

in cash.

The management buy-out represents the virtual end of Burnett's oil division as an operational entity. The main part of the division, UK Petroleum Products, was sold to Powell Duffryn for £10.3m last

April.
The two directors involved,
Mr Edward Culver and Mr
William Cave, will keep on the
existing staff. In the year to
March 31 1984, turnover came to
£921,654, and net assets at that
date were £259,708. Hallam
employed around 33 people last
vear.

employed around 35 people last year.

Hallam's main activity is the processing and marketing of cast polyurethanes, and as such it was considered peripheral to what Burnett feels is its core business — defined earlier in the year by Mr Eric Grayson, the chairman, as "mining and marketing coal on an international basis."

Burnett is currently engaged in protracted talks with its bankers, led by Barclays, on a long-term plan to reducing its mounting debt, and the divest-

mounting debt, and the divest-ment programme is seen as a prelude to the successful con-clusion of these talks.

Mr Grayson explained yester-day that the oil division still had some investment income in the U.S., but that it could no longer be considered a trading division of Burnett

division of Burnett.

Last week Mr Grayson said
that talks with bankers were
"making very substantial progress," and that there would be

no great delay before share-bolders finally heard the out-

come. Burnett's shares were sus-

pended in July following the announcement that it was in dis-

sold to

By Frank Kane

# Ruberoid profits lower at £2.2m

profits of £2.15m for the six months to June 1985. This com-pares with £2.33m for the corresponding period in 1984, adjusted to exclude a 5582,000 trading loss by the subsidiary, which is now in liquidation.

Mr Thomas Kenny, the chair-Mr Thomas Kenny, the chairman, informed shareholders in August of a decision to "cause most of the Camrex companies to be put into liquidation." The move followed a successful arbitration against Camrex by Canadian Pacific Bulkships in which film was awarded. Camrex was purchased for £6m by Ruberoid in 1983 and has incurred losses ever since.

Ruberoid, the roofing, building facilities, but that is no excuse products, contracting, paper and resins group, carned pre-tax profits of £2.15m for the six profits to line 105%. This comtold shareholders.

Of Ruberoid's other businesses, Dr John Robert's managing director, said that the wet weather during the first half had both added to costs and reduced production levels at the manu-facturing units. Lack of government spending on construction projects had also been a factor in the downturn, he added.

Group turnover grew from £48.35m to £52.28m. Minorities took £160,000 (£98,000) and tax £839,000 (£1.02m), leaving attributable profits of £1.16m (£1.21m). The interim dividend

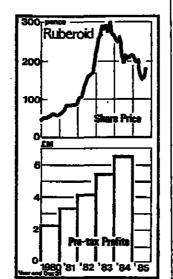
yesterday's 26p rise to 183p. The market clearly believes that the Camrex problems have been neatly sidestepped thanks to limited liability and the liquida-tion process. Not everyone is convinced, however. - Canadian Pacific may not take the loss of tism on an film award (the fam was covered by insurance) laying down. At the year-end it is to be hoped that company and auditors will see eye to eye on the right place for an expected £2m write-off that will finally see Camrex out of the books. On other sides of the business the price war being waged between the big three—Tarmac, BPB and Ruberoid—Is denting margins in a wet climate. There will also be no land sales—£1.8m in 1984 incurred losses ever since.

Although in May it appeared that Camrex might be heading for a profit this year, the arbitration decision persuaded Ruberoid not to persist with trying to turn it round. "Ruberoid has generous cash resources and resources and resources and attributable profits of £1.16m (£1.21m). The interim dividend is mair,£1ined at 2.2p.

Comment

Comment

Having plummetted like a stone to around 140p in mid-summer, Ruberoid must be heartened by cent tax charge) which still



# 14% rise at C. H.

## Pearce

C. H. Pearce & Sons, the Bristol-based builder and developer, raised pre-tax profits by 13.6 per cent from £2.94m to £3.34m in the year ended May 31 1985. The directors consider this result satisfactory in view of current unfavourable conditions in the construction industry.

rindustry.

Turnover increased by 45.9 per cent from £39.92m to £58.25m.

The directors explain that the difference between the profits and turnover gains was mainly due to the time of completion of several and stantial contracts. of several sit stantial contracts which have been included in this year's turnover.

Part of the profits on these contracts has already been included in prior years in accord-

with cormal accounting ance wit practice. After tax of £1.35m (£1.03m)

earnings per 25n share improved from 50.60 to 52.5p. The final dividend is lifted to 6p for a birther total of 7.75p (6.25p) net, costing £292,000 (£236,000).

#### Offerors for Noble and Lund hold 75%

THE joint offer by Galgey Technical Industries and Gild Investments for Noble and Lund, engineer and machine tool maker, except the 5.95 per cent maker, except the 5.35 per cent they already owned, has been accepted in respect of 4.16m ordinary units (72.87 per cent). The offer of 30p in cash for each unit has been declared unconditional. It remains open

until further not/e.
Subject to the completion of last full ye documentation and registration. of £996,000. Galgey and Gild own 75 per cent-of the stock. In acordance 1 ith the terms of the offer, shares in excess of 75 per cent are being sold through Vickers da Costa

# Mowat has USM ambitions

THE NEW board of the William Mowat property group yesterday amounced its long-term plans for the future, which could include a move to the USM by the end of the 1985-86 year.

Mr Brian Dunlop, who was elected chairman last July after he led the revolt of dissident shareholders against the chairmanship of Mr William Lomax, told a reconvened annual meetfor the future, which could include a move to the USM by the end of the 1985-86 year.

Mr Brian Dunlop, who was elected chairman last July after the led the revolt of dissident shareholders against the chairmanship of Mr William Lomax, told a reconvened annual meeting that dealings had recommenced in the company's shares on the over-the-counter market. Application has also been made to the Stock Exchange for a re-listing under rule 535 (2). The shares were suspended in May at the company's own request.

The chairman also told the company of the company's own request.

The chairman also told the company of the company's own request.

request.

The chairman also told the meeting that the board had plans for a rights issue within the next month. This could be the meeting that the decounts which have been audited by chartered the next month. This could be accountants. Binder Hamlyn,

on the basis of a three-for-one mentions issue at 16p, but details will be balance s announced once they have been cleared with the Stock Exchange

before tax came to £5,172 (£30,215).

Group sales were slightly lower at £14.5m compared with £14.84m, due partly to market conditions, but also to concentrating on improvement in

mentions "significant post balance sheet events." Of these, one relates to agreements for the provision of directorial services by Osprey Financial Trust, a company in which two former Mowat directors, Mr D. R. Britton and Mr W. R. Starkey, have financial interests, at an annual management fee of £18,000, plus expenses. Another relates to an agreement to employ Mr Lomax for a period of five years from last

January at a minimum annual salary of £12,000, plus expenses, reviewable each year. Mowat is understood to be tak-

adowat is understood to be taking advice with a view to legal
proceedings being commenced
against Osprey and Mr Lomax
to set aside these agreements
and to recover monles already
laid out under the contracts.

# Elswick confident of better trend as losses fall

PRE-TAX losses are again reported Elswick-Hopper, but figures for the six months to July 31, 1985 show these have been reduced from £288,000 to £194,000. There was an operating profit of £212,000 however, against losses of £10,020, but interest charges were up from £278,000 to £406,000.

£278,000 to £406,000.

The company, which manufactures and distributes agricultural equipment, bicyles and specialised engineering products, was last-in profit at £19,000 for the half-year to July 31, 1982. In the year-ending January 31, 1981 profits of £671,000 were achieved, but every year since, the company has incurred losses—the last full year showing a deficit of £996,000.

Mr H. W. Cross, the executive was profitab chairman, says that although quarter, but trading conditions generally sufficient to were depressed, it was encouraged quarter loss.

Johnson & Firth Brown, the troubled metals and engineering group, has announced details of the disposal of its loss-making Richard Lloyd offshoot. Part of the subsidiary has been sold to Monks and Crane Holdings for sevent 5740 000. This

sold to Monks and Crane Holdings for around £740,000. This may vary depending on the asset value at September 30, 1985—on June 30 kt was £1.2m.

Under a second contract, JFB has agreed to sell the rest of Richard Lloyd and its whollyowned subsidiaries to Topazbridge for around £1.6m. The hook value of these assets was book value of these assets was £3.1m on June 30, and the con-sideration may again be adjusted.

### Trent Holdings

centrating on improvement in gross margins.

The engineering division achieved much improved profitability with a particularly strong performance in the U.S. The agricultural division was also profitable, in spite of exceptional costs associated with the acquisition of additional sales and service branches, arising from Case and International Harvester merging their tractor operations.

The Farmservice company performed well and has recently performed well and has recently opened another branch to give wider market coverage. Mr performed went and performed went and performed went and performed with a possible opened another branch to give wider market coverage. Mr Geoffrey Simon, that trading in the current year that trading in the current year was profitable in the second quarter, but this was not sufficient to cover the first quarter loss.

The performed went and properties of the performed went and performed with the current year was proceeding satisfactorily.

"So far as Leaderflush Doors is concerned, the loss of production to which I referred in my statement, caused by the movement of the macufacture of door ment of Trent Holdings' shareholders at the AGM were told by Mr Geoffrey Simon, the chairman, that trading in the current year

were depressed, it was encouraging that a small operating profit
was achieved in the first half.
The heavy interest charges
resulted from high bank borrowings, which were mainly required
to finance the excess stocks
Handanger Properties, a
property investment company
that joined the USM four years
ago, is graduating to the main
market. Dealings will begin
next Monday.

were depressed, it was encouraging that a small operating profit
was achieved in the first half.
The re-organisation probreak-even point in annual unit or factory site at cycles sales being reduced to about half the actual level of 1884. New models have been successfully introduced, and the first half.

New models have been successfully introduced, and the product range has been rationalised to provide fewer ment of the macufacture of door
sets within our factory site at cycles sales being reduced to about half the actual level of 1884. New models have been successfully introduced, and the full year," he said.

Parker Winder & Achurch had models of higher quality.

The loss per 5p share was 0.73p against 0.76p.

### JFB disposals

when he unexpectedly emerged as the holder of a

making an agreed takeover bid for Maynards, the con-fectionary manufacturer and toy retailer, has increased its interest in Maynards to 29.9 per cent through the purchase of 468,000 shares.

# **United hits** out at Fleet profit forecast

By Charles Batchelor United Newspapers yester-day launched a pre-emptive strike against the profits forecast which Fleet News-papers is widely expected to make this weekend as part of its defence against United's £282m takeover bid.

With Sunday the final deadline for Fleet to publish new defence information, United warned Fleet shareholders in a letter that Lord Matthews, their chairman, might make "exaggerated claims as to potential value of your com-

pany."

"It would be no surprise if an attempt were now made to forecast the profits of Fleet in the current year, even in the current year, even though only three months of the financial year have elapsed. If such a profit forecast is made, we believe it should be treated with considerable caution," Mr David Stevens, United chairman

pavid Stevens, United chairman, warned.

In reply, Lord Matthews described the United letter as yet another in a long line of "gib, ill-informed and misleading documents." Good management is increasing the size of the cake

for shareholders not just changing the mixture," he Mr Stevens argued that ton the surface Fleet's share per-formance was impressive, but

be claimed this was due to factors outside the control of

factors outside the control of the Fleet board.

He listed a very low base for the Fleet share price at the time of its demerger from Trafalgar House, "the Reuters' windfall" and bid speculation.

Mr Stevens claimed that Fleet had failed to diversify, saying that "minority holdings in peripheral activities such as TV-am would not satisfy this objective."

The Express newspapers were "a shadow of what they used to be," with Daily Express circulation down 53 per cent between 1961 and 1984, and the Sunday Express down 38 per cent. Even The

down 38 per cent. Even The Star was now suffering from a declining circulation, Mr Stevens said.

United's shares fell 2p yesterday to 303p to value its bid at 333p for each Fleet share. Fleet rose 5p to 356.

Extel share stake Dr Ashraf Marwan, the Egyptian financier, has increased from 6.3 per cent to 7.1 per cent his shareholding in Extel, the financial and sports information group. He first disclosed an interest in Extel in June,

Ward White Ward White, which is making an agreed takeover

# Raybeck improves profits from ongoing operations

NOW THAT Raybeck has disposed of its principal lossmaking retail businesses—Lord John and Werff Bros—it is free to concentrate management and financial resources on the manufacturing and retailing of ladies' wear and bridalwear. Mr Ben Raven, chairman, says

and bridaiwear.

Mr Ben Raven, chairman, says the financial base has been strengthened considerably and the group is "well placed" to support the future growth of the continuing operations. In view of this an interim dividend of 0.5p is declared.

A fortnight ago the company announced that it had sold the two lossmakers to J. Hepworth and Son for some fil.35m. The other troubled subsidiary, Best Sellers of Oxford Street which retails ladies' wear from 15 shops, will also be sold at the earliest opportunity.

Results for the half year ended July 27 1985, show that Lord John and Werff incurred losses of £2.88m, including \$450,000 for the period to September 23—the date of transfer, the same as in the comparable period of 1984, while Best Sellers did manage to reduce its loss from £454,000 to £310,000.

Continuing operations improved from £919,000 to £1.04m

Continuing operations im-proved from £919,000 to £1.04m and, with the help of greatly increased profit on property transactions £1.07m (£142.000). the group loss for the half year is cut by £1.24m to £1.37m.

is cut by £1.24m to £1.37m.

Lord John and Werff have heen engaged in the retalling of ladies' and men's wear from over 100 shops in High Street locations and through a number of concessions within department stores. They traded successfully in the 1970s, but have lately incurred heavy losses, largely because of poor merchandising and stock control and more recently also because of management time being taken up in protracted efforts to dispose of them.

After tax £158.000 (£80.000)

After tax £158,000 (£80,000) After tax £158,000 (£80,000) and the preference dividend, the loss attributable to ordinary holders for the half year comes to £1.7m (£2.88m), equal to 4.7p (7.0p) per share. There is a £1.18m profit on disposal of the assets and liabilities of Lord John and Werff.

Photo-Me Intl. ....

DIVIDENDS ANNOUNCED

Date Corre Total Current of sponding for payment payment div. year

Nov. 18 0.5 Nov. 25 — Nov. 15 0.4\* Nov. 25 1.7 Jan. 3 0.3

Nov. 15 2 — 1.75 — Nov. 29 nil — Nov. 29 2 4.5

div. year 1.25 1.25 0.25 —

10.15 9.45 — 0.25 — 7.8 — 4.9



Ben Raven, chairman of Raybeck

#### comment

Raybeck, for so long the "troubled" fashion retailer and manufacturer, is suddenly looking relatively carefree. The loss-making Lord John and Werff chains have been sold to Hepworth for a very respectable price; borrowings have been eliminated and the residual cash billock will yield a princely price; borrowings have been eliminated and the residual cash hillock will yield a princely sum; the dividend is back; and the remaining group interests are profitable and growing. Six months of profitable trading are not going to be enough to elimininate group losses this year, but if Best Sellers is disposed of swiftly they should be down to about film, excluding property transactions. Next year should be more interesting, when a full year of unadulterated profits plus a healthy input from interest receivable are likely to see about £2.75m before a tax charge of 10 per cent. On that basis the shares, up 2p at 34p yesterday, look attractive on a prospective p/e ratio of 5. Scepticism of the group may take time to fade and the long-term prospects are a little stodgy, but a 2p dividend next year would produce a yield of \$\frac{1}{2}\$ per cent and in the meantime there is always the possibility of a predator.

tracelons with the vendors of PBS Coals Inc concerning the restructuring of its coal interests there is always the possibility of a predator. in Pennsylvania. Viyella disposes of Spirella to Banbury

Vantona Vivella has sold the business and assets of the Spirella Company of Great Britain to Spencer (Banbury) Holdings with effect from October 1985, for an undisclosed

sum.
Spirelia, is the largest made-to-measure ladies' corsetry com-pany in the UK and operates through some 1.200 consultants

through some 1,200 consistants throughout the country.

Spencer, which has a traditional business similar to that of Spirelle, has developed more in surgical supports and health directors negotiated management buy-out of the Spencer business and that of Silhouette from BTR/Thomas

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# **COMMUNITY HOSPITALS PLC**

COMPLETION OF £5.2 MILLION RIGHTS ISSUE

Total equity investment to date exceeds £15.8 million and has been subscribed to develop the company as the leading independent UK owned operator in the private healthcare market by, amongst others,

Funds Managed by Baring Brothers & Co., Limited Britannic Assurance PLC Funds Managed by Foreign & Colonial Management Limited Friends' Provident Life Office Gartmore Investment Management Limited Funds Managed by Grieveson, Grant & Co. Funds Managed by Kleinwort Benson Investment Management Limited Legal & General Assurance Society Limited The London Life Association Limited The Prudential Assurance Co. Limited Royal London Mutual Insurance Society Limited Scottish Equitable Life Assurance Society Standard Life Assurance Company Sun Life Assurance Company of Canada Throgmorton Investment Management Limited

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October 11, 1985



# **HOLT LLOYD**

## International plc

#### INTERIM RESULTS (Unaudited)

	28 weeks to 14.9.85	28 weeks to 8.9.84	53 weeks to 2.3.85
	0003	2000	£000
GROUP EXTERNAL SALES	41,275	35,167	76,313
GROUP PROFIT BEFORE TAX Taxation	3,100 (1,333)	2,885 (1,291)	6,240 (2,793)
GROUP PROFIT AFTER TAX Minority Interests	1,767 (134)	1,594 (110)	3,447 (324)
PROFIT ATTRIBUTABLE TO MEMBERS	1,633	1,484	3,123
EARNINGS PER SHARE	3.62p.	3.38p.	7.10p.
INTERIM DIVIDEND	1.65p.	1.65p.	3.75p.

## Points from the Chairman's Statement:

Underlying sales growth of 12%.

U.K. car care sales show appreciable increase.

All companies are projecting higher profits for the full year.

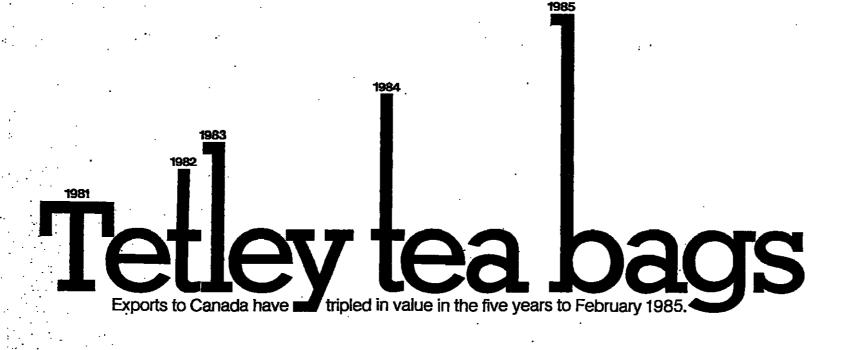
 Currency rates continue to be a major consideration in determining final results.

# **NOTICE TO LOMBARD DEPOSITORS** 14 Days Notice 8.59% 12.28% Cheque Savings Accounts 8.22% | 11.74% 6.72% 9-61% Lombard North Central 17 Bruton St, London W1A 3DH.

# Granville & Co. Limited

Lane London EC3R 8BP Telephone 01-621 1212 Over-the-Counter Market High Low Company Price Change div.(p) % Actual based 146 123 Ass. Brit. Ind. Ord. ..., 131 — 66 5.0 7.3 8.7 151 135 Ass. Brt. Ind. Cul.S... 137 — 100 7.3

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# Gayner's Olde English Sales of our keg cider have nearly quadrupled in the four years to December 1984.

Castenaine XXXXX

Launched 16 months ago, it is the fastest growing major brand of lager in Britain.

Allective years up to February 1985, our pre-tax profit Prose from £112m to £219m.

We the undersigned initiated the transaction and acted for Pillsbury UK Limited

BATHSTRETE SECURITIES LIMITED

HAZLEWOOD FOODS PLC has acquired a controlling shareholding in

BURGHER OF CORNWALL LIMITED We the undersigned initiated the transaction and acted for

**BATHSTRETE SECURITIES LIMITED** 

### FOOD TRENDS LIMITED

has acquired the business of

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i Langham Place London WIN 7DD 01-323 4606

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# Maunders homes for good living

Preliminary Profit Statement for the year ended 30 June 1985

## Turnover up Pre-tax profit up

42% 27%

Announcing record results, Chairman John Maunders says:-"We have firmly established ourselves as a dominant and

profitable North West House Building Group. Indications are that the current year will see further continued expansion."

	1985 £'000 (Unaudited)	1984 £'000
Turnover Profit before Tax Profit after Tax	21,304 2,055	15,000 1,618
& Minority Interest Earnings per share Dividend per share	<u>1,016</u> 17.0p 4.5p	<u>1,020</u> 17.1p 4.0p

Copies of the 1985 Annual Report and Accounts will be obtainable from the Secretary from 25th October 1985 John Maunders Group plc Development House, Crofts Bank Road, **Urmston, Manchester M31 1UH.** 

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.



Placing of 2,185,834 91 per cent. Cumulative Preference Shares of £1 each,

Application has been made to the Council of The Stock Exchange for the above Preference Shares to be admitted to the Official List. In accordance with the requirements of the Council of The Stock Exchange, 437,167 Preference Shares have been made able to the market. Dividends will be payable in equal halfyearly instalments on 30th June and 31st December in each year. The first payment, amounting to 2.1p per share (net of the related tax credit), covering the period from the date of allotment to 31st December, 1985, will be made on 31st December, 1985.

Listing Particulars relating to the Preference Shares are available in the Extel Statistical Service.

# THE FINANCIAL TIMES ORDINARY SHARE INDEX

**SURVEY** 

This six page survey, which appeared on July 1 1985, was published on the 50th anniversary of the FT Index. Free half size reprints of this survey are available on request. Fill in the coupon below.

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**OUANTITY OF REPRINTS .....** 

Send to M. Robinson, Publicity Department, Financial Times, Bracken House, Cannon Street, London EC4P 4BY

4,791,500,165 **ISSUE DEPARTMENT LIABILITIES** 12,063,438,189 6,561,811 12,070,000,000

The restructuring phase has been completed. The London warehouse has been sold and the entire UK warehousing 1983-84. In the six months ended May 31 1985, this was cut to fill am and by the end of the strength operation is now undertaken good to a major extent."

The interim dividend is being theid at 0.5p net per share, for warehousing and administration which waivers have been received in respect of £12,508 leaving only sales administration and showroom facilities in Munich.

Better trend at Campari

IT APPEARS that Campari International has turned the corner, the directors state. Sub-

Stantial sales are being achieved and the full benefit of the signifi-

cant reduction in overheads is expected to have a positive impact on the second half.

The group which imports and

distributes leisure, camping and boating equipment, ran up a loss of £2.9m in the second half of 1863-84. In the six months ended

John Mannders Group, house builder and estate developer, lifted operating profits by 46.3 per cent to £2.68m in the year ended June 30 1985 on turnover up 42 per cent to £21.3m. Completions of house sales rose by 21 per cent to 705.

However, a rise from £288,000 to £704,000 in interest and similar charges held pre-tax profits to an increase of 27 per cent from £1.62m to £2.06m. This

was short of market expectations and the shares lost 4p to 136p.

The directors look forward to

continued sustained growth in earnings and house sales. A very encouraging start has been made to the current year, they say with sales substantially ahead of the comparable 1984

EQUITY & GENERAL, formerly Emray, financial services and motor dealer group, increased pre-tax profits to £478,000 in the

six months to June 30, 1985 compared with £443,000 last

time on turnover down from £11.74m to £11.04m. The interim dividend is unchanged at 0.3p.

Earnings a 5p share were up from 1.9p to 2.05p.

DERBY TRUST had a total port-

folio value of £33.07m on September 30, 1985 compared with £33.2m three months earlier.

NORMAN HAY, electro-plating and anodising group, produced mon lower pre-tax profits of £207,000 turn in the six months to June 30 was compared with £253,000 last time and

tained at 1.438p. Earnings a 10p share were 3p against 3.4p.

ARCOLECTRIC (HOLDINGS), maker of electric switches and

neon signal lamps, turned in lower pre-tax profits of £148,148

lower pre-tax profits of £148,148 (£183,989) for the first half of 1985, on turnover of £2,98m (£3,07m). Earnings per 5p share were 2,22p (2,75p) and the interim dividend is held at 0,25p net. Demand has increased steadily, but company has taken longer than anticipated to raise production capacity. Unless demand falls, the picture should be brighter by the year end.

THE BRITISH Land Company

says it has invoked the compul-sory conversion of the remain-ing unconverted balance of its

listed 12 per cent convertible unsecured loan stock 2002 into ordinary shares of 25p each.

This means approximately 84 per cent of the total loan stock issue has now been converted, and British Land has issued compulsory conversion notices to the remaining registered loan stock holders requiring conversion on

holders requiring conversion on December 10 1985. The balance of loan stock outstanding is \$1.54m nominal which is con-vertible into a further 5,121,606

with £33.2m three months earlies. U.5p (2.05p) per suite. Assets attributable to capital ordinary income £11,000 shareholders amounted to £28.32m (£28.45m), equivalent to 220.5p (221.5p) per capital share. Cullen's HOLDINGS, which

on turnover up from £2.71m to debits of £158,000, relating to £2.75m. Tax took £88,000 redundancies. There was an (£116,000), giving attributable profits of £119,000 (£137,000), relating to profits on sale of the interim dividend is main-off-licences, properties and a

£6.75m.

In the first half, turnover fell Munich. In the first half, turnover fell Munich. from £14.2m to £10.38m, sales being affected by the group's extensive restructuring measures and trading conditions. At the same time, there has been further considerable reduction of stock levels and borrowings, and further cuts are planned to be. The Comment stock is £1.21m (£25,000 profit). This equals a loss of 14.06p came of the comment stock is that these

Newly-acquired prime residential developments, concentrating mainly on second-time buyer properties, will be fully on stream in the second half and should produce a valuable con-

tribution to earnings, they say.

Tax took £946,000 (£598,000)

and minorities 593,000 (sill), to leave earnings at 17p (17.07p) a share. The final dividend is lifted to 2.25p (2p) for a total of 4.5p net against 4p.

When Mr John Maunders brought his company to market in 1983 he was a great admirer of the Barratt style and selling tech-nique. Like his mentor, the chairman of this family business has had to change his tune as

COMPANY NEWS IN BRIEF

rose to £7.05m (£5.78m), but profits were down at £124,000 (£247,000) after £100,000 £87,000 (£42,000) and earnings (£87,000) in first half. Tax 0.8p (2.85p) per share. Extra-ordinary income £11,000 (£90,000).

off-licences, properties and a

based manufacturer of Thorlux

quality lighting equipment, achieved higher taxable profits of fl.IIm, against fl.04m, for the year to end-June 1985. Turnover rose from f8.21m to

56.75m. Earnings per share were 20.4p (19.3p) and the final dividend is 2.5p (2.15p) making

STODDARD HOLDINGS, carpet

maker, says indications are encouraging for the first half, ended September 30, against the same period of 1984 when a £297,000 loss was incurred. Saleshave been running well ahead, except in the cheaper tufted ranges. Improved control of stocks has enabled a reduction in borrowings.

HARVARD SECURITIES, one of the leading over-the-counter market makers, has acquired 15.56 per cent of the capital shares of Rights and Issues In-

PAHANG INVESTMENTS says

its annual report for the year to December 31 1984 is not yet

comment

Newly-acquired prime resi- market have fallen. There has

the margins in the starter home and/or west of the country.

of fully paid ordinary shares in time, the company was in the issue will be 139.7m, and this process of finalising accounts for increases the company's market 1984. In view of the amount capitalisation, at 163p per share.

CULLEN'S HOLDINGS, which took over Cullen's Stores, reports losses of £855,000 for the six months to September 1 1985, on turnover of £12.57m. The result was in line with expectations and was struck after exceptional

Maunders' 27% mid-term lift

The directors say this strict costs of restructuring combined control has created a "sound base" from which the group is trading satisfactorily. Substantial sales are being obtained with the first four months of the second half shead of target. The second half shead of target and the second half apparently, things will be second to the second half apparently. so me what the intuminatingly, sluggish general sales. In the second half, apparently, things will be different: stocks are down to £8.7m from their peak of £17m second half shead of target and spring-summer 1986 ranges are will be different; stocks are down being received favourably as to 28.7m from their peak of £17m reflected in the orders being last year, overheads (including interest charges) will be down by £1.5m and the company is now trading profitably with sales well ahead of target. For the investor, however, there must clearly be concern that reduc-tions in the cost base are taking so long to translate into profits and there is nothing in the com-pany's statement to suggest that pany's statement it suggest that whatever went wrong with sales in this year's first half will not go wrong again. The shares slumped 6p to 22p on the figures but recovered during the day to close unchanged at 28p. Someone, somewhere, must believe in the recovery prospects: the cynics, however, have seen Campari turn too many corners to stock levels and borrowings, and further cuts are planned to be achieved by next month.

Stock levels and borrowings, and further cuts are planned to be achieved by next month.

Stock levels and borrowings, and further cuts are planned to be achieved by next month.

also been critical media coverage of the sale prospects of such homes. The dalliance with

there has been a welcome in rise in the dividend the 4.7 per cent

yield gives only modest support to the 136p share. With Barratt yielding twice this it is no wonder that the Lancashire-based Maunders is looking for an acquisition in the richer south

UNITED BISCUITS has com-pleted the acquisition of the olive division of Early California

Olives. Some \$40m of the \$71m deal has been satisfied by the allotment to ECI of 18,201,326 new ordinary shares of 25p each in United Biscuits which have been placed through the market.

ment from the Foreign Invest-ment Review Board. The com-pany will acquire for cash 78 per cent of the shares of I. H. Baker Wines and all the assets of Spey

Traders at a cost of about £375,000. The Clark board says this significant development will

extend its trading area into a country where prospects for quality wines and spirits are

# surges with sales ahead of target by 21% to £5.5m

Photo - Me International, manufacturer, operator and seller of automatic coinoperated photographic vending machines, increased pretax profits by 21 per cent to 
£5.47m in the year to April 30 
against £4.51m last time. Turnover grew by 16 per cent from \$41.32m to \$47.97m. The final dividend is 7p (6.3p) a 50p share, making a total of 10.15p against 9.45p. Now the company is proposing a sub-division of each 50p share into two of 25p, followed by a ene-for-six scrip issue.

The change in the value of stations and special profits by

the directors say.
Operating profits in the UK

Tax took £2.45m (£2.13m) and minorities £737,359 (£573.589), giving attributable profits of £2.29m (£1.81m). Earnings a share were 90.69p

### **Horace Cory** profits slide

Horace Cory, chemical colour manufacturer, turned in sharply reduced pre-tax profits of £45,574 for the first half of 1985, compared with £520,000 last time. The interim dividend is in effect halved at 0.2p net. Mr H. J. D. Finchett, the chairman, said in the last annual report that although

tional results achieved in However, it was anticipated

December 31 1984 pre-tax profits leapt to a record £1.05m (£304,475). This exceptional result arose from continuing demand for the company's products, despite an unprecedented rise in the cost of basic raw materials which was passed on to

## **Parkfield** progressing

showed a marked recovery in the 1984-85 year, told share-

TRIPLEVEST, investment company, reports pre-tax revenue up from £1.67m to £2.02m in the six from £1.67m to £2.02m in the six months to August 31 1985. Net asset value per £1 capital share improved from £10.80 at February 28 to £10.95, and stated earnings per 50p income share were up from 4.749p to 5.691p. The interim dividend is 5.691p (4.749p). Gross income was £2.24m (£1.87m), and dividends and interest contributed £1.76m and interest contributed £1.76m (£1.71m). Deposit interest was higher at £430,000 compared with £145,000, and underwriting and other commissions added

and other comm £48,000 (£20,000). AURORA now has 92.81m ordinary 10p shares and 8m 6.5 per cent cumulative redeemable preference £1 shares in issue following resolutions yesterday to convert the 9 per cent con-vertible cumulative redeemable preferred ordinary shares. Dealings in the new ordinary

WHOLESALE FITTINGS turn over for the first three months of the current trading year showed a satisfactory increase and Mr D. S. Rose, chairman says that this trend has continued for the first five months of the year. He adds that the denot in Birmingham commenced. depot in Birmingham comm trading last Monday.

will begin today.

W. CANNING, the chemicals, metals and electronics group, has notified Philip Harris Hold-ings of the disposal of the whole of its shareholding. Canning previously held 249,500 shares representing 7.8 per cent of Philip Harris.

HARVARD SECURITIES has disposed of its entire shareholding in Capital Gearing Trust amounting to 128,000 ordinary shares (5.74 per cent).

ACCEPTANCES have received in respect of 18,902,420 ordinary in Kean and Scott (96.53 per cent of the existing issued shares which are the subissued shares which are the subject of the offer by Hawley and 16.92 per cent of the existing issued share capital of K and S). These acceptances include the 1,769,912 K and S ordinary in respect of which irrevocable undertakings to accept have been given. Over 83.84m ordinary (approx 75.03 per cent) were held by the Hawley Group prior to August 22, 1983. The offer, which is now unconditional in all respects, has been extended until further notice.

# Photo-Me

sterling cut group profits by £338,000 in the second-half,

were boistered by the demand for photographs. Companies recently formed in Malaysia and Singapore are progress-ing. In the U.S. expansion con-

# homes. The dalliance with retirement homes—lauded in the 1984 report as a long neglected, growing market—has also been brief. Both homes were sold recently for a gain of £73,000 after costs and purchase prices. Financing costs for the £6.1m land bank and working capital increases have boosted interest payments. Earnings as a result have hardly budged. Although there has been a welcome to rise

this year's prospects were good, it would seem very difficult to repeat the excep-

that results would show an improvement over previous

to £228m.

Goodwin, engineer and metal processor, is holding its dividend at 0.6p net per share for year ended April 30 1985. Turnover rose to £7.05m (£5.78m), but profits were down at £124 non to £

customers.

However, in the latter months of the year there were signs of a fall off in demand

Parkfield Group, which holders at yesterday's AGM that orders had remained strong and first half turnover would show an increase over

would show an increase over the preceding six months. "If current activity levels are maintained, a good result should be achieved," said Mr Roger Felber, chairman of this USM-quoted iron foundry and electrical distribution reorganisation

Foster Electrical Supplies, acquired in May, had progressed well, he said, and marketing and sales techniques not previously used by Foster were now in place. "Our original perception of Foster having good organic growth potential is proving correct," he said, and added: "I am confident that even in this first year Foster will make a valuable contribution make a valuable contribution to our profits which will more than justify the modest acquisition price."

Foster had taken new products into its range, maintaining a distribution policy principally on behalf of major, well established manufacturers: "only taking on new products or manufacturers are manufacturers."

new products or manufac-turers that will quickly give us at least £750,000 of annual In the year to April 27, 1985, Parkfield turned

1985, Parkfield turned a £64,000 loss into a £488,000 taxable profit on turnover ahead from £3,57m to £4,6m.

# **Exports help Druck** lift profits by 29%

AN INCREASE of 42 per cent continued to expand its activities in exports has enabled Druck The board is confident of growth Holdings to sustain its controlled and is planning a purpose-built

Holdings to sustain its controlled growth in the year to June 30 fastirman, of this USM-quoted company.

Sales of the group's electronic pressure measuring devices have improved by 30 per cent from £5.76m to £7.48m, generating at the pre-tax level a 29 per cent profit rise to £1.76m against £1.36m. The second half accounted for £1.05m (£807,000).

As well as the improvement in exports, from £2.9m to £4.1m, Mr Salmon says that sales of new products and the UK sales also made good contributions.

The open is consident of growth and is planning a purpose-built and is planning a purpose the growth and is planning a purpose the growth and is planning a purpose built and is planning a purpose built

ing or automated production systems.

In February, the group acquired a 47 per cent stake in Maywood Instruments, a small private company which makes special-purpose load cells for precision weighing of loads from 10 grams to 100 tons. The directors consider that the com-Mr Salmon says that sales of new products and the UK sales also made good contributions.

The order level for 1835 has again increased by a substantial margin, and with a record order book the group must continue to expand its production and strive to maintain realistic delivery dates, says Mr Salmon. If this can be achieved Druck can be confident of another satisfactory year of organic growth, he says.

An increase from 1.7p to 2.1p in the final is recommended making a total of 3.6p (3p) for the year. Stated net earnings per 5p share are 3p ahead at 14.7p, before etxraordinary items.

The U.S. subsidiary, Druck Inc, based in Connecticut, increased turnover by 47 per cent to \$2.1m (£145,000) was transferred to receive a transferred to reserves.

# W & R Jacob sustains recovery with I£315,000

THE Dublin-based biscuit maker Other business activities also THE Dublin-based biscuit maker and food product distributor W. & R. Jacob has sustained its recovery which started late last year. In the six months ended July 12 1985 the pre-tax profit has grown from 1£65,000 to 1£315,000, and the group expects to record a satisfactory increase for the full year over the previous £521,000.

Mr Gordon Lambert, the chairman, says the improvement reflects the benefits of the programme of change implemented over the last two years, and a which the operating \$255,000 (2555,000)

over the last two years, and a greater degree of stability in the rish economy.

made good progress.

"We are now in a strong position to further develop our biscuit and other product markets," he tells shareholders. During 1985 the group expects to spend some £400,000 to complete its rationalisation and cost reduction programme. This will be dealt with as an extraordinary charge.

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Main States

Turnover in the first half rose from £25.7m to £27.4m, from which the operating profit was £882,000 (£685,000). After tax £80,000 (£30,000) the net profit The group's improved competitiveness has allowed it to ingrease its market share and total volume of biscuit sales.

280,000 (£30,000) the net profit was £235,000 (£35,000) for earnings of 3.4p (.4Sp) per share.

The interim dividend is again total volume of biscuit sales.

# London based life and pensions company formed

A NEW life and pensions company, Devenshire Life, based in London, has applied, to the Department of Trade and Industry for authorisation to transact long-term insurance business.

The company is being set up by Mr Roger Levitt, chairman of the pensions and financial services conglomerate the Levitt Group and the consortium Scandinavian Bank. The paid up equity capital of £2m is held 100 per cent by Mr Levitt, while development loan finance of a further £2m has been provided by the bank.

by the bank. The new company intends, subject to authorisation, to

market a complete range of unit-linked life and pension products, with special emphasis on mort-gage related business.

This latter business will oper-This latter business will operate mainly in association with Devonshire Financial Services owned 51 per cent by Mr Levitt and 49 per cent by Scandinavian Bank. This company was formed in February of this year to provide mortgage and other financial services, mainly through the professional intermediary market the funds coming

market the funds coming through the bank. Investment management will be handled through Phillips and

# talks

Low & Bonar's Canadian sub-sidiary, Bonar Inc. is exercising a 60-day option which allows the company to commence a full investigation into the American Packaging Corporation, of Phila-delphia, and to discuss a possible

delphia, and to discuss a possible purchase agreement.

The directors say this would be fore the purchase of ABPI-Delaware Inc's 79.75 per cent stake in American Packaging for U.S.521m, subject to a minority shareholder's option to acquire, from ABPI, up to 9.5 per cent of these shares.

The directors say that further

The directors say that further announcements will be made as necessary.

## **BOARD MEETINGS**

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last yeer's timetable. TODAY

Interims:—Aborden Steak Houses,
Acorn Computers, Frank G, Gates,
Jersey Electricity, Microlease, Midlend Marts, New England Properties,
Property Trust, Tozer Kemsley and
Milbourn, West Bromwich Spring,
Western Motor,
Final:—Charile Browns Car Part
Centres.

rewmaker Comprehizisiva Financial Srvs. Border and Southern Stock-holders Trust holders Trust
Boulton (William)
Fisher (Albert)
Highland Electronics Synapse Computer Services ... Oct 17

This advertisement does not and is not intended to form the basis of any offer of the share capital of, or the undertaking or assets of, Vichers Shipbudding and Engineering London.

### Vickers Shipbuilding & Engineering Ltd. incorporating its subsidiary Cammell Laird Shipbuilders Limited (A subsidiary of British Shipbuilders)

We have been requested by British Shipbuilders to find a purchaser for the whole of the share capital of Vickers Shipbuilding and Engineering Limited. Vickers Shipbuilding and Engineering Limited, based in Barrow-in-Furness, Cumbria, specialises in building warships and in the manufacture of armaments. Turnover for the year ended 31st March, 1985, was £259.9 million. Cammell Laird Shipbuilders Limited, based in Birkenhead, specialises in building warships. Turnover for year ended 31st March, 1985, was £21.3 million.

Lazard Brothers will, at its discretion, make available further information to interested parties. Expressions of interest should be submitted by 6th December, 1985. It should be noted, however, that under the Aircraft and Shipbuilding Industries Act 1977, the consent of the Secretary of State is required before British Shipbuilders disposes of any interest in any of its wholly-owned subsidiaries.

Enquiries: E. W. Dawnay Telephone: 01-588 2721

Lazard Brothers & Co., Limited 21 Moorfields. LONDON EC2P 2HT.

BANKING DEPARTMENT 14,653,000 9,655,964,377 706,158,686 1.414,924,102 4,791,500,165 

- 121,933,320 - 121,933,320

ordinary shares of the company.
Holders may alternatively require repayment of the loan stock at par. together with actions were brought to the accrued interest. The number

31,230,892 1,230,892 30,000,000 491,325,537 12,070,000,000 - 50,000,000

**BANK RETURN** 

## UK COMPANY NEWS

# TDS Circuits hit by lower selling prices

PRETAX profits of TDS Circuits, USM-quoted manufacturer of printed circuit boards,

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turer of printed circuit boards, showed a sharp decline from £1.26m to £404.00 for the six months to August 31 1988.

The major part of the profits reduction was due to lower selling prices arising from a lower level of activity in the electronics sector. In addition, the company has continued its development plan for increasing capacity to achieve its targeted growth for the future.

This has led to increased overheads in the short term. However, the company has maintained market has not turned out to be the safe little niche that once it was thought to be. TDS seems to be suffering exactly in line with the whole pcb market, indeed, the City has taken TDS's downturn particularly harshly as it became aware, only helatedly, of the extent of the damage. Following numerous downward revisions, the final forecast of these latest results still proved too optimistic and now analysts appect the company to make no more than £1.2m in the full year. expect the company to make no more than £1.2m in the full year. With severe overcapacity in the provement in prices and volume will have a marked effect on profitability.

First-half turnover dropped from £5.3m to £4.2m, giving lower operating profits of £0.5m, against £1.29m. Interest payable rose from £13.200 to £158.000.

After tax of £157,000 £158.000.

After tax of £157,000 £500,000.

Stated earnings per 5p share were down from 14.3p to 3.5p on a weighted average basis. The interim dividend is maintained at 2p net.

Reporting on 1984-85 profits up to £2.65m (£1.71m) in the last annual report, Mr H. A. Cann, the chairman, said he remained confident in the company's future growth. Profits however, would inevitably be affected by the cyclical destocking in the electronic component industry.

expect the company to make no more than £1.2m in the full year. With severe overcapacity in the industry, prices have dropped on the first whiff of rescheduling of the first whiff of rescheduling of volumes and prices, profits have suffered badly. All now depends with a high fixed cost structure, any pick-up would fall straight through to the bottom line. If such a recovery occurs shortly, TDS, currently taking the brave step of increasing capacity, will be a strong contemder for a major re-rating. But despite some encouraging signs such a pick up may still be a long way future growth. Profits however, would inevitably be affected by deserve no more than the full year.

# Abingworth feels effect of weak technology sector

Abingworth, the venture companies with proprietary tech-capital trust, has felt the effect nology and with management of of the continued weakness in the proven ability."

technology sector, particularly in the U.S.

Net asset value per 10p share fell by 10.6 per cent to 280p over the year to end-june 1985, although the company peints out that this is less than the near 16 per cent fall to 515.65 in the Hambrecht & Quist Technology Index, which provides a barometer for Abingworth's operating environment.

proven ability."

During the 1984.85 year Abingworth made net profits of £495,806, against £285,233, equal to earnings of 2.4p (1.4p) per share. The single final dividend is unchanged at 1.25p.

New investment was kept to a similar rate as in the previous year with \$9.5m invested in 16 new companies in the U.S. and a further £1.3m invested in these

operating environment.

Despite the shake-out in the technology sector, "we believe that this is a field in which substantial profits can be made."

year with \$9.5m invested in 16 new companies in the U.S. and a further £1.3m invested in three new companies in the UK

Despite the shake-out in the technology sector, "we believe that this is a field in which substantial profits can be made," included the sale of 250,000 says Mr Anthony Montagu, the chairman.

Abingworth, he says, has adequate cash resources to exploit opportunities which will arise in the current environment shares, representing less than and "we shall centinue to seek." 5 per cent of total assets.

# A. Caird aiming to pay small dividend this year

Year-

A. Caird & Sons. made a pre-tax profit of £90,000 in the rix months to July 21 1985. The result reflected the group's con-centration on property activities and is not fully comparable with the corresponding loss of £188,000, which included the

group's former retail operations in Scotland. The directors say they recognise that the present adverse balance on distributable reserves parance on distributable reserves is preventing dividend payments on both preference and ordinary shares—the last ordinary pay-ment was in 1983.

Alternative means of rectify-

reviewed and the directors intend that appropriate steps will be taken so that a small dividend on the ordinary shares may be possible in the current

The company has been active during the half-year in improv-ing the nature of the property portfolio. In the second six months it will continue to seek property investment or develop-ment opportunities.

There was no tax charge (came) and stated carnings per 25p share came to 21p (47p loss). An extraordinary credit this position are being this time added £15,000.

# Jones Group holds profit

Jenes Group, a Dublin-based shipping, engineering, manufac-turing and distribution company. returned virtually static taxable profits of I£1.33m, against I£1.32m, for the first half of

The result was in line with expectations and the board con-tinues to be confident that the year's outcome will match 1984's 162.94m at current rates) attached on turnover of 1547.6m.

Earnings per 5p

£34,000 (£88,900). First half earnings were 8.83p (9.23p) after tax up I£461,000 (I£329,000). The interim dividend is up from 1.75p to 2.5p to reduce disparity. Last year's final payment was 6.25p.

Jones is seeking new business and one prospect would involve the purchase of a ship before the end of 1985.

year's outcome will match 1984's end of 1985.

152.94m (£2.4m at current rates) attached on turnover of 1£47.6m.

Turnover was significantly shead from 1£18.23m to 1£33.04m, mainly reflecting the sale of oil products by Jones Oil which, the directors say, also explains the fall in the turnover profit ratio.

Pre-tax profits were struck after depreciation, up from £516,000 to £856,000, and in total sales, continued during the cluded interest receivable of

## **EQUITY & GENERAL PLC**

(formerly Emray plc)

The Financial Services & Motor Distribution Group Interim Statement for half year to 30 June 1985

months to 30 June 1984 ended 31. December 1964 0000 £000 21,743 11,036 11,740 Tumover Net profit before 478 802 taxation 259 167 155 Taxation 288 543 Attributable. 311 209 70 70 Ordinary dividend

2.05p

Lionel P. Altman CBE, Chairman and Chief Executive, reports: The record haif year profit reflects our continued progress and was in line with our plans for the first six months. Our decision not to drase turnover in the intensely competitive sectors in which our main divisions operate, but to concentrate, wherever possible, on greater selectivity has resulted in

Our main trading divisions continue to perform well and I remain confident of a satisfactory out-turn for the year.

The interim dividend will be 0.3p per share (0.3p) payable on 3 January 1986 to shareholders on the register at the close of business on

66 Grosvenor Street London W1X 9DB Telephone: (01) 493 3371

# Kingsley & Forester boosts margins

Fortnum & Mason, department

Fertum & Mason, department store, stays that only the refurbishment of its restaurants prevented it from trading profitably in the first half of 1985—for the first time in 10 years.

The strong increase in sales in the last two years continued in the 28 weeks to August 10, with a 20 per cent rise to £8.34m compared with £5.29m.

Profits before tax were £110,000 (£63.000) after interest receivable of £185,000 (£141,000).

Trading losses were £76.000, compared with £78,000. Tax took £42,000 (£27,000), giving attributable profits of £68.000 (£35,000).

(£36,000).

The interim dividend is maintained at 5p a share.

The refurbishment of the The returbishment of the Fountain and Patio restaurants, which cost more than £1.5m, caused unavoidable disruption, says Mr Garry Weston, chairman.

The work is now nearly complete he says but in the

Work on

restaurants

holds back

**Fortnum** 

restaurants' revenue resulted in lower contributions from them. In his last annual statement, In his last annual statement, Mr Weston cautioned share-holders against expecting profits to increase at the same rate as in the last few years. Now, given this trading result, he says he must repeat the warning.

Nevertheless, he says, subject to the usual proviso that trading in the second-half, which includes Christmas, is crucial to the final outcome he expects. DESPITE HIGH interest rates, VAT on imports and poor summer weather, Kingsley & Forester Group, importer and wholesaler of household products, has reported a 37 per centrise in pre-tax profits for the first half of 1985.

With turnover ahead by 8 per the chairman says that the absorp-

E544,000 to £747,000.

Mr A. Forester, the chairman says that the first half is historically far less active than the second, and this year is no exception. Already the third quarter has shown the expected upturn in the retail and mail order trade especially in the toy

With turnover ahead by 8 per chairman says that the absorption of the original Boardman group is almost complete. The sales, administration and distribution have been transferred to he group's Gorse Mill complex, historically far less active than the second, and this year is no exception. Already the third will be obtained in 1988.

The of overheads in 1988.

An interim dividend of 1p is being paid for the six months to interim in 1984, but a final 0.5p was paid for the nine months to and although the savings in 1985 and although the savings in 1985.

This agreement and the recent interim in 1984, but a final 0.5p was paid for the nine months to save paid for the nine months to interim in 1984, but a final 0.5p was paid for the nine months to interest the Blue Box share of overheads in 1986.

This agreement and the recent was no interim in 1984, but a final 0.5p was paid for the nine months to interest the Blue Box share of overheads in 1986.

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The chairman says that the absorption of the UK toy market.

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tinuing to grow organically.

The final stages of the consolidation of its administration should be completed by February 1986, when certain parts of the group will be consolidated at Gorse Mill. This should result in further savings of gwarhaeds in 1988.

order trade especially in the toy and hardware division.

The current order book is at a high level and shows encouraging signs. The indication is that areas at the same time as con- and the chairman is confident of £434,000, against £56,000.

should result in further savings this new company which will aim of overheads in 1986.

An interim dividend of 1p is of the UK toy market, he is a worth.

will be obtained in 1986.

The group's policy of reorganisation has now been predominantly and successfully arrived out Mr Forester states, and it is well poised for making further acquisitions into related areas at the same time as contribution to turnover leaving a tributable profits at the second out the contribution of the profits at the same time as contribution to turnover leaving attributable profits at the same time as contribution to turnover leaving attributable profits at any time as contribution to turnover leaving attributable profits at the same time as contribution to turnover leaving attributable profits at any time as contribution and sales.

The tax charge for the half year rose to £260,000 (£216,000), network by establishing Bloom and minorities took £53,000 (£49,000). Extraordinary debits at the charge for the half year rose to £260,000 (£280,000).

Operating profit from rentals

# **Britannia** Security to £0.7m

Britannia Securitiy which supplies and instals com-mercial and domestic security systems, has notched up a 37 per cent increase in full year profits, mainly reflecting growth by its mainstay intruder alarm divi-

Britannia which is quoted on the USM made £731,000 pre-tax, against a restated £532,000, during the 12 months to end-June 1985 with £611,000 (£379,000) attributable to intruder alarms.

Total sales were up from £4.32m to £5.54m and after tax earnings per share were 5.35p (6.25p) on a net basis. There is a final dividend of 0.75p, making a total 1.25p—there was no dividends in the previous year when the company joined the USM.

Minorities accounted for £14,000 (£18,000) and there were extraordinary debits of £18,000 (£8,000), leaving an attributable balance of £599,000 (£471,000).

Britannia was active on the

Britannia was active on the acquisition front during the year and since the year-end it has acquired White Group Electronics. All goodwill in connection with the acquisitions has been written-off direct to reserves.

ing start has been made to the current year and they look forward to further significant

They add that the White Group purchase will, in addition to the close circuit television division, give Britannia national covernes in the group of CCTV coverage in the supply of CCTV

# Development profit boosts Caparo Props.

A CONTRIBUTION of £473,000 that in the light of future from developments has pushed performance.

up the operating profit of Caparo Properties from £225,000 to Well below book value, but at Properties from £225,000 to £669,000 in the half year ended June 30, 1985.

Interest charges are higher at the permanent diminution in £256,000 (£181,000), but the pretax profit has grown from 544,000 to £413,000, and interim dividends are initiated with a payment of 0.2p.

that no reasonable assessment of the permanent diminution in value can be made. The extent of any provision will, therefore, be determined at the year-end.

The group's half year figures include the initial profit from

The directors point out that development profits are often sizeable and their timing is difficult to forecast. It is unlikely that a further contribution from that source will arise in 1985.

Referring to its investment in Blacks Leisure Group, the directors say they will review

The group's half year figures include the initial profit from the transaction with Property Holding and Investment Trust, whereby Caparo sold its interest in the freehold property in Old Bond Street, W, and retains the benefit of participation in further profitability of the eventual development.

Rentals provided (£122,000) of the £196.000

After tax £143,000 (nil) earnings came to 3.16p (0.51p) per share.

Plans to refurbish the new vacant property in Harley Street were delayed following offers received for the profitable sale of the building in its present state. Negotiations have been protracted and Caparq expects to finalise terms or commence refurbishment within the next month

operating profit from rentals is not directly comparable with last year as the storage and transport business at Stanstead Abbots was sold in January and the buildings involved have been leased to the purchaser. As part of further rationalisation the company has sold three smaller properties from its investment portfolio. The proceeds of some £750.000 represent a small loss against book value.

The company curerntly holds available for occupation by February if the property is not sold.

Negotiations are at an advance stage for the acquisition of a The company curerntly holds 2.6m Blacks shares, and does not intend to take up its entitlement under the recent rights issue. The book value of the holding is 40p per share while the current market value is 11p. The company curerntly holds

the final outcome, he expects higher profits for the year than the £1.06m for 1984-85. Wherever it is, we'll find it. OIL. Wherever it is, we'll find it. Oil is the primary source of energy. It is the power that moves the world and will be so for many years to come.

But, it is necessary to be prepared to wrestle this treasure from the earth's most secret strongholds, using the latest continuously evolving technology, and to venture into hostile, inaccessible places. Agip, Italy's national oil company, took up this challenge sixty years ago, probing into the origins of the earth, enting with new techniques. and devoting to these activities human and economic resources that are always up to the difficulties to be overcome. Wherever the possibilities of finding oil exist, Agip is present with its spirit of initiative and decades of experience. The results achieved, alone or in cooperation with leading oil companies, in 30 countries, on 5 continents, make Agip a reliable operator in any oil activity. Even where no-one has ever Deep thinking. Top results.

## THE PROPERTY MARKET BY WILLIAM COCHRANE

Hence, he says, the apparently

mundane ar uisition of a £10m

portfolio from Legal and General, Apart from being

almost three-quarters in the retail sub-sector, where Stock Conversion wants to increase its

presence, this package has one or two fringe benefits.

"A little bit of development,

some marriage value, some trading"; he lists the options.

The options are not always exercised, notes Peter Levy; he

says that the components of the

Chinatown assembly have been

managed to such effect that tehy are now showing 50, 60 or 70 per cent returns on invest-ment; so the company is going

for a piecemeal, rolling, refurb-ishment programme rather than

full scale development of the assembled site.

"I think," says Mr Levy "that we would have done what we have done in the past six to nine

months with or without the presence of Stock Conversion;" on second thoughts he acknow-

# Waiting for Stockley to move

CONNOISSEURS of corporate finance history will be waiting a peak of 110p, after it norcease, reduce or trade the increase, reduce or trade the last success balding in Stock of the goahead for the peak of the goahead for the success, reduce or trade the last stock of the peak of the peak of the peak of the goahead for the success, reduce or trade the last stock of the peak of 261 per cent holding in Stock —when it said it would stick it an equity capitalisation of to this holding for at least six £34.4m.

options, and make a full scale Trust shares fell sharply as the bid for Stock Conversion, its takeover battle submitted it to bid for Stock Conversion, its takeover battle submitted it to own origing would remind the market of the risks involved.

Stockley is rescue bid finally

November 1983, to a £4.7m rescue bid. This was launched. through the then, newly-formed Stockley, by agent Elliott Bernerd, developer Stuart Lipton and merchant banker

Jacob Rothschild. After a string of major deals, mostly equity financed, Stockley now has a stock market capitalisation of £157m. Stock Conversion carries nearly twice the equity weight with a capitalisation of £296m.

Ambitious takeovers by smaller UK companies have not been notable for their success when faced with a strong defence. Churchbury pulled off a notable coup in 1981 when, with strong institutional sup-port, it took Law Land in the face of unremitting opposition from the target company's

The case of Trust Securities

Heathrow from the Department Conversion it secured last April of the Environment. This gave

But after it launched the bid One of the little ironies of for Bilton, with a market this situation is that if Stockley capitalisation between three and four times its own size.

Stockley itself rose out of a wildly ambitious, and abortive takeover bid by the smaller Trust Securities for Percy Bilton which left Trust open, in November 1983 to 2 547m

Nothing's impossible. There Nothing's impossible. There is any amount of bank money swilling around the international financial markets; and Mr James Gulliver, who heads the £655m Argyll, seems supremely confident of getting consortium finance backing to make a bid of over £1½bn for Distillers, if and when the Takeover Panel will let him go ahead. ahead.

However Stock Conversion director Peter Levy, son of co-founder and president-elect Joe Levy, thinks that Stockley has left it too late.

#### **Founders**

"They might just have won it if they had bid immediately ny's they bought their stake," he says. "We had two founders ties who had been there for 30 In years, both approaching 80 management comes from property families where you learn three magic words—
'subject to contract'—before you can say 'Mummy and Daddy.'"

Criticised for not acquiring Wimpey's half of its Euston Centre, which British Land's John Ritblat took with gusto last year for £31m and an 11 per centre return. Peter Lawy 225 cent return. Peter Levy says that co-founder Robert Clark, whose death released the shares that Stockley acquired, refused because he did not want to dilute his own holding in the company.

The company's image had degenerated from developer to rent collector, with a low and conservative development profile. "We had to get on with other things," says Jonathan Lane, promoted to joint manag-ing director in May of this year, and points to major site assembly in London's Chinatown in Soho, at Old Bailey on the City of London fringe, and at Kings Cross as examples of

this process.
Unshackled in the last six to Unshackled in the last six to nine months, the new management team has adopted a far more aggressive approach to portfolio management, development and financing. One observer will pick on eight major sites as evidence of this; another the £30m sale of the White City site to the BBC, adding 40p net of tax to Stock Conversion's assets per share, variously estimated now at between 600p and 650p, and bringing with it a development

ledges that the company would have been less public about it. A Stock Conversion bid for bringing with it a development option on the corporation's Langham Place headquarters. "We don't look down our Stockley is not ruled out on principle. "But it would have to be justified on their figures,"

## **Dalston** shopping plans

AS professionals cast doubts on the viability of the Tower Hamlets 500,000 sq ft shopping centre plan reported here a fortingist ago, the London Borough of Hackney and the Co-op are seeking government support for a 111,000 sq ft section 1 111,000 sq ft centre at Dalston Junction, a couple of miles up the Kingsland Road.

Hackney and Co-operative Retail Services (CRS) want government approval for a £4m urban development grant for the centre to be built in a disused railway goods yard off Ridley Road, London E8, for which CRS would invest the major part of the estimated development cost of £134m.

The Borough Council is supporting the project with a contribution of around film. John Paton, chair of its planning and transport committee, thinks that a goahead from this project would encourage similar cooperation within other cities.

The Kingeland Centre, as it The kingsiand Centre, as it would be named, would have a 50,000 sq ft CRS food superstore and 27 shop nuits ranging from 600 to 7,00 sq ft, all built within a covered mall; a 400 vehicle car park is included in the develop-

Letting agents Healey and Baker are reported confident about the centre's prospects.

# WICO sees problems ahead

based property companies ratios, which fail to respond positively Ratio to the structural changes which rents is have occurred in the direct property market over the last few years," says the team. "The main changes, which have conspired to make it increasingly difficult for the companies to operate as profitably as in the past are:

the low rate of economic

growth in the UK; • the continuing high level of unemployment; an increasing level of institu-

an increasing level of institutionally financed development;
the increasingly high standards required by tenants;
the sharp divergence in
growth prospects between
prime/standard/secondary pro-

perties;
the continuing need for cash to be expended on portfolios to maintain modernity, letability and values; and

the declining rate of profits and dividend growth which the slowdown in rental growth in the early 1980s will cause over

THE property team at stock-brokers WICO Galloway & Pearson has produced a book on 39 property companies which is, in essence, bearish in its broad conclusions.

who left Scrimgeours in February, and Alex Moss who came ary, and Alex Moss who came are arranged as a supplier of the arranged are are arranged are arranged are arranged conclusions.

"We foresee a number of sheets and source and use problems ahead for those UK figures in their analytical based property

Ratios like net rent to gross rents indicate the freehold con-tent of a given portfolio; vari-able debt to total debt, who might be coming into the market for money. Summary tables include companies with the highest, and lowest exposure to interest rate changes, in the sense of what one point of interest change means to profits before tax.

WICO's analytical neck sticks further out, company by company, with lists of major developments by address, type, size, completion date, estimated cost, estimated rents and value on letting — and estimated surplus, property by property. surplus, property by property, on a per share basis.

be bullish about the property share sector.

They attack the notion that property is a cyclical industry on the verge of an upswing— that space built in response to perceived demand will come in on an economic downturn, leading to glut, rents down or static, and no development; and then economic upturn, increas-ing demand, uptake of space overhang, shortage, rises in rents and development taking off again.

The Tory government, they say, has moved away from economic tinkering since the late 1970s, at a time when massive development is being done by institutions either directly or in partnership with merchant developers.

n a per share basis. They say that institutions are The book is designed to be a now sophisticated competitors The book is designed to be a reference work, emphasises of property companies, rather than buyers of the last resort; and interest returns on capital employed for property companies, and interest returns on capital employed for property companies, and that, under their influence, the 1980s have been characterised by a consistently high level of supply which has met any demand which has arisen. They see property companies on the fringe of the action in a Their best bets are Allied shudder.

London, for its M25 exposure: Bradford Property and Warner Estate for their residential content; British Land; Hammerson and Laing for their overseas investments; London Shop for the secondary market; and Peachey. The analysts in the team, Gareth Evans and Alan Carter,

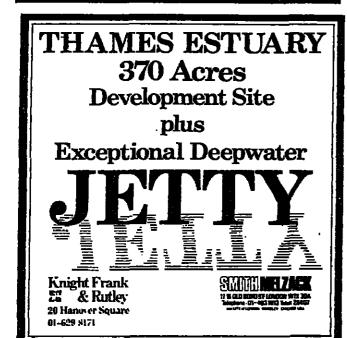
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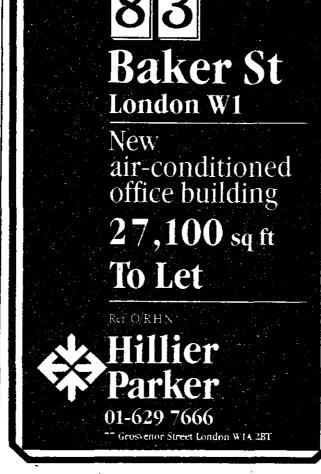


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## **APPOINTMENTS**

# Guinness Mahon Investment board

appointed managing director of collars Mr David Hexter who will shortly take up an appointed managing director of will shortly take up an appointed managing director of will shortly take up an appointed managing director of attendational funds management subsidiary of the Guinness Peat Group which recently assume the continue as a previously area executive with subsidiary of the Ginness Peat Group which recently acquired Temple Bar Fund Management. The board of GMIM is Mr Alastair Merton (chairman), Mr Reger King, Mr Peter Knapton, Mr Peter Pejacsevich, Mr Brace Ursell, Mr Howard Flight and Mr Ewan Braws

Mr A. R. Sinclair has been appointed financial director of McKECHNIE BRITAIN, a sub-sidiary of McKechnie Brothers. He was with the Delta Group where he was managing director, building products division.

Mr Stephen Parsons, Mr Michael Dash and Mr John Adkins have been appointed as directors of BAJ HOLDINGS. Mr Charles R. Brocklehurst

has been appointed managing director of INNER CITY ENTER-PRISES. Mr George Newrick has been appointed sales director of MATTHEW HALL ORTECH, He

Mr Richard Nelson has been appointed manager, audit and investigations, at BRITISH GAS

eedquarters. Sir Christopher Laidlaw has become chairman of BRIDON in succession to Mr Jack Laird, who

will continue as a director until his retirement at the end of the year. The RALPH M. PARSONS CO has appointed Mr Ian Robinson as managing director. He has recently returned to the UK after recently returned to the UK after completing an assignment as vice president at the company's head-quarters in California. He succeeds Mr Leonard J. Pieroni, who has returned to the U.S. to take up the presidency of the C. T. Main Corporation in Boston. Both these companies are substitutions of the Pasadena-based Parsons Corporation. The Parsons Corporation The appointment of Mr Robinson

completes the company's objec-tive of an all-British board. Mr Jeremy N. Reynolds has been appointed company secre-tary of CREDIT FACTORING INTERNATIONAL, subsidiary of National Westminster Bank, He was formerly assistant company secretary.

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TUNBRIDGE WELLS EQUITABLE FRIENDLY SOCIETY has appointed Mr Nicholas Morreli assistant manager from

Mr Peter Brealey has been Mr Peter Brealey has been appointed investments manager of the CHURCH COMMISSIONERS. Consequently upon this appointment, which will take effect in early November, Mr. Brealey has resigned from the boards of Robert Fleming Investment.

CITIBANK has made a series of organisational changes in its
UK commercial banking group, been appointed a
Mr Robert Wamsley has been CITY MARKETING.

previously area executive with responsibility for the North and Midlands. He will be based in London. Mr David Hume has been appointed area executive in charge of Scotland and Northern Ireland. He will be based in Edinburgh and was previously in charge of the group's London office.

Mr John M. Skilbeck has been appointed managing director of S. G. MAGNETS. He was with Associated Engineering Co.

Mr James M. McAlear has joined IDS INTERNATIONAL INC in London as a vice-president, senior portfolio manager. IDS International Inc is a subsidiary of IDS Financial Services, an American Express company. He was formerly executive director of Merrill Lynch Europe Ltd.

Mr David Whitehurst and Mrs Gillian Wilson have been appointed executive directors of JARDINE GLANVILL (UNDERWRITING AGENCIES).

Mr Richard Taibot has been appointed a partner BOSWELL BIGMORE

Dr Bryan Lindley has been Dr Bryan Lindley has been appointed chairman of the council of SHIRLEY INSTITUTE. Manchester. He succeeds Dr Philip W. Smith, who has been chairman since 1971 and who now becomes the Institute's honorary president. Dr Lindley is technical director of BICC Cables.

The YASUDA FIRE AND MARINE INSURANCE COM-PANY (UK) has appointed as general manager and director Mr Brian J. Pearce.

BRITISH SYPHON INDUST-RIES, Wilmslow, has made appointments at two of its principal subsidiaries: Mr Richard Minns becomes opera-tions director of Fyne Papers. This is a new appointment. He was previously managing director of Sandalloy, another group subsidiary. Mr Mike Tingle has been made managing director of Sandalloy and Mr John Hughes has been appointed operations director. operations director.

Mr Colin R. Formby has joined ARTHUR J. GALLAGHER & CO. as deputy chairman. He has also been named chairman of Arthur J. Gallagher & Co. (UK). He will have responsibilities for Gallagher's offices in London, Bernuda, Brussels and Providence, Rhode Island. Headquarters for the international division will be in London, Arthur, J. Gallagher & Co. corporate offices are in Rolling Meadows, Illinois.

boards of Robert Fleming Investment Management and The Fleming Mercantile Investment Trust. Mr Adam R Fleming, a director of Robert Fleming Holdings, will join the board of Fleming Mercantile.

\*\*

Mr Michael J. Laughlin has been appointed marketing director of wholly-owned subsidiary of State Street Bank and Fleming Mercantile.

\*\*

Mr Julian Seymour has joined LOWE HOWARD-SPINK CAMP BELL-EWALD as corporate development director.

\*\*

Mr Michael J. Laughlin has been appointed marketing director of wholly-owned subsidiary of State Street Bank and Trust Company, STATE STREET LONDON. He was a vice-president in Stale Street's Asset management and mutual funds divisions and a director of Beston Financial Data Services, Inc.

Mr Robert McCormick has been appointed a director of

Retailing Group. The new appointment is from January 1 1986. Mr Clipsham is managing director of Athena Galleries.

Mr Richard Cloke has been appointed international securities director, BARCLAYS MERCHANT BANK.

Mr Dan Cowe, commercial director of the Southern Elec-tricity Board, has been appointed deputy chairman of EAST MID-LANDS ELECTRICITY, from November 1.

Mr Richard Searby, chairman of The News Corporation, has been appointed to the board of SATELLITE TELEVISION. The News Corporation is the parent company of News International, which owns 81 per cent of SATV.

Mr Harry Moulson becomes marketing director at NORTH WEST GAS next month. He comes to Altrincham from the post of director of corporate planning and management services at Northern Gas, and a secondment to British Gas in London.

Professor Andrew Chambers has been appointed acting dean of the CITY UNIVERSITY BUSINESS SCHOOL following Professor Brian Griffiths' departure to be head of the policy unit at 10 Downing Street. Professor Chambers is currently British Petroleum professor of internal auditing, and a member of the council of the Institute of Internal Auditors. Professor Andrew Chambers of the council of the Institute of Internal Auditors.

Mr Chris Willis has been appointed by FURNESS WITHY (SHIPPING) as trade manager with responsibility for Mediterranean services. He was commercial director of Hunting Stag Management — deep sea ship management company of James Fisher & Sons.

HIRAM WALKER INTER-NATIONAL has appointed Mr Doug Young as executive vice-president. He has moved to England from Toronto, where he was president of Hiram Walker Brands.

Mr Nigel Wright has been appointed group marketing appointed group marketing director of MANCHESTER EXCHANGE TRUST. Mr Graham Hill has joined Manex to take over Mr Wright's former responsibilities as head of leasing and funding. ing and funding.

LLOYDS BANK'S international banking division has a newly-established support tram, based in London, for its operations in Latin America and the Far East. The team is headed by Mr Julian Avery, as headed by Mr Julian Avery, as principal manager, formerly principal manager, formerly principal manager Latin America manager with responsico-ordinator, Leun America, an Anthony Vowles, manager, Osaka branch, is to be regional co-ordinator, Asia; and Mr Peter Nestor - Sherman, previously manager, international credit designate of HAMMICK'S BOOK-services, seconded to National SHOPS, a subsidiary of Assonant of New Zealand, becomes ciated Book Publishers. He joins in early January 1986 from his

additionally been appointed to the board of UNITED RUM MERCHANTS. Mr Brian Rurst, finance controller of URM (United Kingdom), joins the board of United Rum Merchants as finance and administration director.

MORGAN GUARANTY has appointed Mr Brian Tritton as executive director—trading, and Mr Philip O'Borke as executive director—sales, of Morgan Guar-anty Gilts. Mr Tritton was managing director—treasury division of Grindlays Bank Group. Mr O'Rourke was a direc-tor of Laurie Milbank Inter-

NatWest subsidiary County
Bank has appointed Mr Neil
Stapely as a director of COUNTY
SECURITIES to take responsibility for the establishment of
National Westminster Bank

THE EXPORT FINANCE COM-PANY has appointed Mr Simon Wilson-Taylor, Mr Tony Walker and Mr John Sharp as regional managers for London and the South East, the Midlands and the North, and the South and South-West regions respectively.

South-West regions respectively.

\*\*\*

\*\*GENERAL ELECTRIC COMPANY (USA), London, has appointed as president and chief operating officer of its new subsidiary GE Medical SystemsEurope, Mr Vincenzo Morelli, formerly staff executive and manager of corporate business development and strategy at General Electric's headquarters in Fairfield, Connecticut. GE Medical Systems-Europe's board will be chaired by Mr Paolo Fresco, vice president and general manager of GE's Europe and Africa operations in London, and president of GE-Europe. Mr Robert L. Stocking, vice president and general manager of the worldwide medical systems sales worldwide medical systems sales and service division, has been appointed vice chairman.

Mr R. W. Sunerton has been Mr R. W. Sinerton has been appointed managing director of GEC ROLLS-ROYCE (POWER GENERATION), Whetstone, Mr J. C. McMillan who was already part of the management team, has been appointed sales director.

Mr Harry G. Cressman, director general of the American Chamber of Commerce (UK), has been appointed a non-executive director of BUTTERFIELD-HARVEY, a wholly-owned subsi-diary of Technology Inc, of Dayton, Ohio.

Mr Gordon Lang Foulds has been appointed to the board of BROWNLEE, Scottish timber and builders merchant. This appointment follows the acquisition of W. Lang (Paisley), where Mr Foulds is managing director.

division. Three regional coordinators are appointed: Mr
Coporto branch, becomes regional
co-ordinator, Latin America; Mr
Coporto branch, becomes regional
co-ordinator, Latin America; Mr
Coporto branch becomes regional
co-ordinator branch bran

regional co-ordinator, Australia.

\*\*T Jee Beeston, sales director of URM (United Kingdom), has mile & Boon.

## CONTRACTS

## Racal radar for China

A film technology transfer contract with the People's Republic of China has been won by RACAL MARINE RADAR. The contract calls for the supply of radar kits with associated manufacturing and test equipment, as well as the provision of training facilities. The radars will be assembled in Quingdao, capital of Shandung Province. Two types of radar are involved in the latest contract. The Racal-Decca 970BT, a 10kW unit featuring the unique "Bright Track" 14 indisplay which provides a cotour radar picture easily viewed and interpreted at several metres distance, even in full daylight. The second radar is the RM-1070A, a 10kW two-unit instrument for oceangoing vessels. It features the Clearscan video processing facility, 10 in. display and choice of 4f to 6f the actial Racal Marine Radar will also supply the Roylet Industries, Rolls-Roylet Motors, Clayton Dewandre, and Sony Broadcast. LSS has also signed a contract, worth firm from Ferranti for design and construction of a three-storey office building at Cheadle Heath, on a site adjoin-

worth £1.7m from Ferranti for design and construction of a three-storey office building at Cheadle Heath, on a site adjoining Ferranti's existing premises. The work, which includes demolition of a building on the site, is for completion during the middle of 1886.

The contract for a warehousing office and welfare development on the Sowjan Industrial Estate, Exeter, has been awarded by British Telecom to WIMPEY CONSTRUCTION UK. Worth over £2.75m the work comprises a single-storey warehouse and two-storey block, providing office accomodation and welfare facili-

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02-405 4300

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Armathmatte Hall Hotel

EASSENTHWAITE, KESWICK
THE LAKE DISTRICT'S FIRST FOUR-STAR COUNTRY HOUSE HOTEL
The Country risit standing in 133 scree of parkland with lake frontage,
equash, tennis, troquet, pitch and putt, snooker, games room. Golf and
riding nearby. Oak-panelled hall with log fire. A la carie restaurant with
massufficent views through the Lake, indeed withming pool complex including app pool, saunas, solarium, thomassum, beauty salon, bar and
reseturant with grill maou. Bed and breaklest tariff from 25 p.p. per day.
Egon Ronsy/Ashley Courtemay recommended. Excellent conference venue.

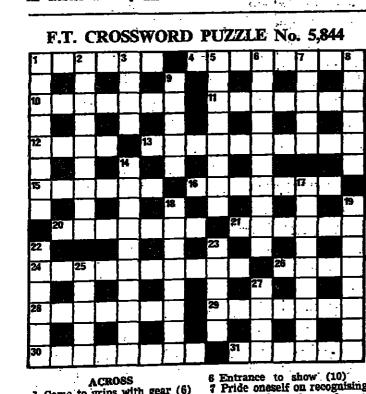
Phone for new Colour Brachuse
CHRISTMAS AND NEW YEAR PROGRAMME



+1.0 3.21 +1.5 3.21 +0.1 5.89 +0.1 2.49 +0.2 4.30 +0.2 4.30 +0.3 3.74 -0.3 3.74

03-600 7595 .... 1 883

CONTINUES DVERLEAF



ACROSS I Come to grips with gear (6)
4 He disposes of fighter (8)
10 One who faces facts about curly tails (7)
11 She holds sway — over me

11 She holds sway — over me
and journalists (7)
12 Time of year for division of
a tribe (4)
13 Controlled stress in animals
in reverse (10)
15 General holding gun at 18 Screen celebrity shoots
foreign armony (6)

15 General nothing gun at 15 screen celebrity shoots sailor! (44)

16 Sought sustenance on behalf of senior citizens (7)

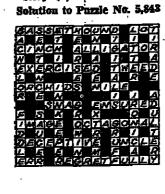
20 Put down: "Nothing is 22 An American woman at changed in department" (7) large (6)

21 Test for suitability of cover

large (6)
23 Disturb a flower (5)
25 Provide for having to tot up 24 Game securing support? 27 Takes a gambler's part in story (4) Nonsense! (10)
26 The advantage of the draw

28 Overseas mail for far-flung station (7) 29 Position in the depot (7) 30 Do they speak disparagingly of French horsemen? (8) 31 Orchestra said to be pro-scribed (6) DOWN

1 Revolution at fish-plant (8) 2 Audibly fulga injury to get a urink (8)
3 Prostrate or face up (4)
5 Garment specially designed for soldier in action perhaps (8)



account three times (5)

queen's back in enclosure (5)

8 Requires identical compon-

ent to live (6)
9 Animal-guide (5)

7

market have glober

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Financial Times Friday October 11 1985 ruck INSURANCE, OVERSEAS & MONEY FUNDS PU 1002 / 1, St Petter Part, Gauracy | 0002, 25541 | 145 Annivers (115), Create | 1,6,177 | 130 - 0.034 | 1.45 Mirt. Res. (115, create) | 51,000 | 71,145 | 40,000 | 21,37 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | 10,500 | Money Market THE PRINCE AND CONTRACT OF THE PRINCE OF THE S1-25252 OFFSHORE AND لله (UK) لگيد

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HEATING OIL 42.000 U.S. gailone, cente/U.S. s

ORANGE JUICE 15,000 lb, canta/lb

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625.5

648.5 689.5 689.5 986.0

SILVER 5,000 tray oz, cents/tray oz

**CHICAGO** 

LIVE CATTLE 40,000 lb, cents/lb

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Close Feph 45.20 44.30 44.95 43.52 43.55 39.90 42.85 42.95 43.72 43.50 43.60 39.65 39.65 41.35 41.36 Ciose High Low Property Communication Commun

Feb 93.20 63.35 65
March 63.62 63.75 65
May 64.90 64.90 64.90 65.77 65.77 65.77 65.77 65.77 65.75
August 63.65 63.65 63.65
SOYABEANS 5.000 bu rem. cents/60-lb bushed

SOYABEAN MEAL 100 tons, 5/ton

Close High Low
- 141.2 142.5 141.0
- 141.6 143.2 141.0
- 142.5 143.5 142.0
- 143.0 144.5 143.0
- 144.1 145.5 144.1
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SOYABEAN OIL 60,000 lb, cents/lb Close High 20.24 20.40 20.11 20.35 20.26 20.50

# **Euro-MPs** block chocolate scheme

By Ivo Dawnay in Brussels

HOPES OF a rapid resolution to the long-running row over dashed yesterday when a crucial European Parliament report on the issue was referred back for further debate.

By failing to give an opinion the Parliament has prevented any progress on the European any progress on the European
Commission's proposal to harmonise Community standards.
It is this apparently innocent
objective that has sparked a
major row between European
chocolate manufacturers and
the coops hutter producing the cocoa - butter producing countries who fear a large portion of their trade could be

The Commission's plan was to allow all manufacturers throughout the EEC to adopt the less stringent standards curmark and Ireland. These allow the use of up to 5 per cent of non-cocoa-butter fat in choco-

late products.
Opponents of this move claim that it would whittle away at Continental standards which re-Continental standards which require the exclusive use of cocoabutter. They also claim that chocolate producing members of the African Caribbean and Pacific (ACP) trading group, notably the Ivory Coast, which yearly exports about 380,000 tonnes to the Community,

would suffer an unjustified loss A report drawn up by M Jean-Thomas Nordmann, a French Liberal MP, has since come out in favour of the tougher stan-dards prevailent on the Condatus prevailent on the continent. If enforced these would prevent manufacturers in the three renegade countries, to market their products as choco-

Ironically, even if Parliament had backed M Nordmann in a vote the Commission could have pushed ahead with its entirely contrary plan. By failing to take vote, in order to await consultations with the ACP, it has now paralysed the Commission.

## Tin Council receives early cash payment

THE INTERNATIONAL Tin Council, which seeks to support world tin prices, this week took a small step towards resolving its financial problems when one producing country volunteered to pay an early first instalment on an extra contribution to its buffer stock, writes Andrew

The indication from an unthe indication from an unspecified producer came during the first meeting of a working group set up to study the financing of the ITC. Producers have of Agriculture. pledged to provide "significant and effective" extra contributions to the buffer stock,

Various other preliminary ideas were ?oated at the meeting to resolve the difficulties of the present sixth International Tin Agreement, which is due to expire in June 1987, according expire in June 1997, according to ITC officials. Proposals from consuming countries included the possibility of "freezing" the present buffer stock of

70,000 tonnes,
TOTAL non-communist world stocks of all forms of alu-minium excluding finished end products were 4.112m tonnes in August compared with 4.146m in July and 4.253m in August ment, but once it has established in July and International itself in the field there is no waged against the economy.

# India lifts tea export curb MARKETS

BY P. C. MAHANTI IN CALCUTTA AND ANDREW GOWERS

INDIAN Government yesterday scrapped all restric- Government's move yesterday, ions on tea exports in a signi- but said it had come too late ficant policy reversal apparently prompted by concern at the country's relatively low level of well short of its previous export foreign sales this year and by a large domestic surplus of tea.

The Indian Tea Board, a state body, also agreed to allow the release of a further 5m kg of tea to the London auction mar-ket this year, which would take the country's total permissible UK auction sales in calendar

1985 to 15m kg.

Previously, the Government—
which provoked a sharp rise in to the London market has already been depress a number of months by tea prices on the world market last year by suspending all exports in late 1983 — had imposed a limit of 220m kg on exports this year. It also fixed a minimum export price, though end at least for the month.

The industry welcomed the harm," said one broker, "Last to boost exports significantly. India is virtually certain to fall restrictions. In London, tea brokers said

there were doubts, too, as to whether India would be able to ship the full 15m kg to local auctions. There were also fears that following the abolition of controls, a large quantity of cheap Indian tea might flood on to the London market, which has already been depressed for a number of months by a glut

Yesterday's move is an em-barrassing volte face for the Government, and marks the minimum export price, though end, at least for the moment, of this was abolished several what looked to brokers like inweeks ago following pressure from the Indian tea industry.

year, India had a substantial slice of the action on the world market. This year, they've had less than Zimbabwe." He described the UK's total imports of the key North Indian teas this year as "negligible," while Kenya and Malawi between them have half the British market.

However, the main explanation for the policy change appears to lie in domestic poli-tical pressures rather than those of the world market, just as India originally imposed export controls for fear of a domestic

tea shortage.

This year, tea production in North India in particular has soared, driving local market prices down. Partly because of the high minimum export price, however, the trade was finding it difficult to make export sales.

# French stockpile sales likely

BY DAVID MARSH IN PARIS

THE FRENCH Government looks increasingly likely to sell some strategic metals from its stockpile built up over the last decade as part of a changing policy over ensuring supplies of key industrial materials.

France set up its strategic metals stockpile—containing metals like copper, lead, tungsten and chromium—in 1975 and started to commit sizeable

ening worries over metals which have become, according shortages has led to a change to officials, more "pragmatic in policies at the Industry Ministry, which supervises the Ministry, which supervises the stockpile. Officials would not confirm reports in Paris that the Caisse Francaise des Matieres Premieres, which finants: the stockpile, was facing cash shortages which could cause difficulties over repaying loans contracted to build up stocks.

But some sales from the few years.

Original plans envisaged the building up of a French strategic metals stockpile worth between FFr 4bn and FFr 5bn by 1985. The actual value of metals currently stock-could cause difficulties over repaying loans contracted to build up stocks.

This policy was aimed at civing Female industries a factor of the confirmation of the confi

and selective" over the pas

few years.
Original plans envisaged the building up of a French strategic metals stockpile metals like copper, lead, tung-sten and chromium—in 1975 and started to commit sizeable sums of budgetary cash to building it up in 1980.

However, a combination of budgetary cutbacks and slack—as a result of metals policies

However, a combination of budgetary cutbacks and slack—as a result of metals policies

However, a combination of budgetary cutbacks and slack—as a result of metals policies

However, a combination of budgetary cutbacks and slack—as a result of metals policies

However, a combination of budgetary cutbacks and slack—as a result of metals policies

However, a combination of budgetary cutbacks and slack—as a result of metals cutrated to be significantly less than this.

This policy was aimed at giving French industry a two years' supply of metals crucial in areas such as aerospace and armaments.

# Cominco announces zinc output cuts

BY BERNARD SIMON IN TORONTO

and metal output in response to continuing over-supply. The Vancouver-based company said that three mines in south-east British Columbia and the North-West Territories will reduce production of zinc concentrate by a total of 153,000 tonnes next year and lead concentrate by

58.000 tonnes.

THE CANADIAN zinc producer output of refined zinc by 25,000 Cominco is to cut concentrate tonnes in 1986. The curtailments represent a

drop in output of 17 per cent at the Sullivan Mine in British Columbia, and 30 per cent at the Pine Point Mine in the North West Territories. Cominco, controlled by the

Canadian Pacific Group, said that further cutbacks will be In addition, the trail smelter made "if market conditions in British Columbia will reduce continue to be depressed."

always existed in Nicaragua, but

its incidence has always been

systematically carried out for

this reason and the cotton

varieties that are presently

Sr Wheelock said that

inadequate destruction of last

to blame for the increase in

damage this year. However, both Sr Wheelock and the

Seed treatment is

Another major Canadian zinc producer Noranda, cut metal prices by three U.S. cents a pound in late September. Cominco's announcement

prompted an early rise in zinc prices on the London Metal Exchange yesterday but the underlying depression of the market was quickly reasserted and prices ended a few pounds lower as dealers responded to expectations of imminent pro-ducer price cuts.

# Nicaraguan cotton yields hit by disease outbreak

BY TIM COONE IN MANAGUA

AN UNUSUAL cotton disease ing a loss in export earnings of in Nicaragua is likely to reduce around \$10m. yields by as much as 10 per The disease is caused by a cent this year, according to Sr bacteria which had apparently

and ministry officials have be-come increasingly worried by the outbreak of the disease known as "angular leaf spot" (zantonoma malvaciarum), being grown show a low re-which is not normally a serious sistance to the disease. problem affecting Nicaraguan cotton crop.

Several thousand hectares of year's cotton stubbles is partly the crop have had to be destroyed this year to control the damage this year. However, spread of the disease but little more can now be done this Nicaraguan president, Sr Daniel season other than to accept Ortega, have also claimed that yield losses. According to local the U.S. Government may be plant pathologists, the disease responsible for the sudden up-

### Zimbabwe beef cleared for sale to EEC

By Tony Hawkins in Harare

FOLLOWING AN inspection visit to Zimbabwe earlier this year by an EEC veterinary team, Zimbabwe has been given the go-ahead to export up to 8,100 tomes of beef annually to EEC countries

Zimbabwe was originally given a beef export quota a year ago, but this was delayed for 12 months following an outbreak of foot and mouth diseas

In the current quota period to January 1986, Zimbabwe has the opportunitly to export 6,000 tonnes of beef, but actual deliveries are unlikely to reach three thousand tonnes due to a steep decline in domestic sup-plies as cattle herds are rebuilt following three years drought.

Given good rains over the next six months, beef exports should expand significantly in 1986 doubling in value to about figures show. Primary metal stocks were 2.261m tonnes compared with 2.285m and 2.458m respectively.

The U.S. Government is 1986 doubling in value to about financing a guerrilla force of around 360,000 to 330,000 bales as a result of the disease, causinside the country, largest export

COCOA FUTURES prices fell quite sharply yesterday reflecting a higher-than-expected Ivory Coast crop estimate, 2 mildly bearish market report from London trader Gill and Duffus, and 2 reduction in UK July/ September bean grindings compared with the same quarter last year. The March position ended the day £43 down at £1,767.50 a toune. In Abidian the Ivorian president said his country's 1984/85 crop totalled a record 552,000 erop totalled a record 552,000 tonnes, 7,000 more than estimated by Gill and Duffus in its report. The report, issued after the market closed on Wednesday, forecast that world supplies would exceed consumption in 1985/86 by 12,000 tonnes. This compared with an earlier forecast by with an earlier forecast by Holco, another London trader, of a 13,000 tonnes deficit. The UK third quarter grind figure

### **ALUMINIUM**

		Unofficial + or close(p.m.) - £ per tonne	High/low	
t	Cash 3 months	597,5-8 -2,6 720.5-1 +.5	700.5 724;718,5	
1	(8965); t	closing (sm): Css hree months 722.5 700 (896.5). 1 18.5-19. Turnove	-3 (718-9); Inal Kerb	
	tonnes,			

was 19,981 tonnes, 5.39 per cent down from last year.

LME prices supplied by Amalgamated Metal Trading.

COPPE	R		
Highergrade	Unoffic'i close	+0	High/low
			980 1005/997
Official cit (982.5-3); th .5); settleme Close: 997-90	ree mont nt 980.5	hs 100	2-,5 (1005-
Cathodes Cash 5 months	962 4 968-9	6,5	<u>                                   </u>
Official cla (967-9); three settlement 9	ne month: 38 (969).	989-6 Turno	11 (991-2); ver: 15,700

#### LEAD

	Unofficial close(p.m.) £ per to	_	
Cash 3 months	279,5-80.5 284-,25	+1,75	279 288,5/21
(27825); settlement Close: 2/8	closing (s three mont 279.5 (27) -8.5. Turno 19-20 cents	hs 287- 8.25). I ver: 7,4	5 (285-6) inel Ker 25 tonne

HICKEL				
	Unofficial + or close(p.m.) - 2 per tonne	High/low		
Cash 8 months	3030-40	5858 3115(3075		
(3090-5); 7); setiter	closing (am): Car three months 3067 nent 3050 (3095). I 5-95. Turnover: 2,6	-90 (3135- Final Kerb		
TIN	•			

ligh grade	Unofficial close(p.m.) £ par to	+ or	High. for s
ash months	8795-800 8708-11	+20 +32	
Official	me} prisola	): Ces	h 88

Official closing (em): Cesh 8804-5 (8760-90): three months 6710-1 (8675- 10); settlement 8805 (8790).				
tandard				
lash Months	8795-800 8706-8	+20 8 +29 8	810/8800 715/8685	
(8780-90); 30); sext Kerb close	closing (an three mont ement 8805 e: 8710-15. traits tin \$	hs 8710 (8790 Turnov	-1 (8675- )). Finel er: 1,990	

ZINC			
Highgrade	: Unofficial close (p.m.) £ per to	<u> </u>	High/io
Cash 3 months	459,5-60,5 467-,5	,—3,8 ,—3	478:464
(465.5-8.5) 3); settien Close: 407	closing (a ; three monent 459 (4 -7.5, Turnov e Western:	nchs 46 86.5). f er: 10,9	45 (47) Final Ker 75 tonne

Close Opening M'ni'g fix. Aft'n'n fix		(£2301 <sub>2</sub> ·231 (£8301 <sub>4</sub> ·230 (£230,103 <sub>1</sub> (£230,165 <sub>1</sub>
СОП	AND PLATIN	UM COINS
Krg'rnd le Krug. 14 Krug. 1/16 Krug.	4532 53234 817234 17344 \$88-8812 836 3634	(£235-3354) £1224-122 /£624-624, (£254-624)

Silver was fixed 2.65p an ounce lower for spot delivery on the London buillon market yesterday of 440.45p. U.S. com aquivalents of the fixing levels were: spot 623c, down 5.8c; three-month 634.75c, down 5.87c; and 12-month 670.05c, down 5.75c; and 12-month 674.05c, down 6c. The metal opened at 440-43p (622-625c) and closed at 441-445-2p (624-627c).

LME—Turnover: 25 (30) lots of 10.000 ez. Cash high/low 440.5p; three months final kerb 463.6-4.5p.

RUBBER PHYSICALS—The London market opened alightly higher, mer good covering Interest throughout the day and closed on a steady note, reports Lewis and Peet Closing prices (buyers): apot 59.00p (same): November 57.25p (57.00p); December 57.25p (57.00p). The Kuela Lumpur lob price for RSS No 1 wes 185.5 (184.5) cents a kg and for SMR 20 was 169.0 (165.0).

### INDICES FINANCIAL TIMES

Oct. 9 Oct. 8 M'th ago Year ago 251.63 251.45 255.29 288.58

#### (Base: July 1 1952=100) REUTERS

Oct. 9 Oct. 8 M'th ago Year ago 1705.5 1701.6 1708.9 1882.6 (Base: September 18 1931 #100) **DOW JONES** 

Dow Oct. Oct. Month Year Jones 9 8 ago ago Spot 116.74 115.32 - 123.37 Fut. 117.08 117.85 - 125.00 (Base: December 31 1931 - 100)

# MAIN PRICE CHANGES

Oct. 10 + or Month 1985 - ago 

Barley Fut. Jan. | £109.45; + 0.25;£104.40 Malze | £107.88v | £129.50 Wheat Fut. Jan. | £107.98 | 0.20;£104.56 No. £ Hard Wint. | £1

‡ Unquoted. x Oct-Nov, w Nov-Dec. Nov. u Dec. † Per 78 lb flask. c Cents

## COCOA

		_
	closed £40-£50 k trading sessi	
Higuidation	coupled with a	speculativ
	used the sharp	
	vity was not app ar officike was no	
the lower	levels of the day	's tredin
range, repo	orts Gill and Duff	VE,
	Yesterday's	1
	Close + or	Busines
A00004	1	Deen
CCCOA	£ per tonne	Done

prices rem in poor vi ham Lamb	E.E. out a fea sined withi out. Values wing a qui	n a na orte Dr finish	exel Bum- ext on the
COFFEE	Yesterdy's Close	+ or -	Business Done
Nov Jan March May	1640-1645 1671-1678 1700-1707	-2.0 +1.0 -0.5	1804-1592 1641-1650 1671-1865 1791-1695

	GRAINS
-	Wheet eased on lack of fresh feetun
¥	with nearby coming under pressu- from long figuidation ahead of ti
-	tender and closing at the day's lov in fairly quiet trading. Sariey was fir
	on lack of physical offers with Nover
-	ber closing at a contract high. Sells
9	were almost entirely wheat/barl-
	profit-takers. Trade was again thi
9	reports Muirpace_
	·,

Business done—Wheat: Nov 104.85-4.60. Jan 108.10-7.30. Mar 111.15-1.00, May 114.10-4.00. July 116.95 only. Sept untraded. Sales: 247 lots of 100 tonnes. Barley: Nov 107.00-6.30. Jan 109.15-8.95. Mar 112.15-2.00. May 114.45 only. Sept untraded. Sales: 81 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. dark northern spring no 1 15 per cent Nov 128.50. Dec 130.25. Jan 13425., Feb 136.85 transhipment east coast. U.S. no 2 solt red winter Oct 108. Nov 11. Dec 112.25, Jan 113.50. Feb 114.75 sellers. EC French Oct 124.00. English leed fob Oct 108. seller east coast. Mov 108.50-108.50. Jan/Mar 112.50-112.75 buyer/selfers. April/June 117 sellers. Loss of the sellow french transhipment east coast Nov 127 seller. Barley: English feed fob spot 107 seller eest coast Scotland, Oct 107.50-108 buyer/seller east coast Nov 108.50-109.50 Scottish, Dec 110.75 huyer English/Scottish Jan/Mar 114.25-114.50 buyer. Reat unquotad.

HGCA—Locational ex-farm spot prices, Feed barley: S. East 103.10. N. East 98.70 The UK monetary carificient for the week beginning Monday October 14 is expected to remain unchanged.

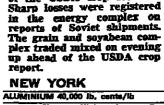
PIGMEAT—Prices railied to finish on a contract high for November due mainly to firmer physical prices and light fresh buying, reports CCST Commodities.

Nov...... 18.20 116.70 18.8-117.0 Feb.... 103.10 103.30 108.3-108.1 April... 104.80 104.80 108.0-108.0 June... 102.00 101.70 102.90 Aug.... 100.50 100.50 ... Qct... 107.50 107.10 ... Sales: 51 (7) lots of 50 carcases, 3,250 kg.
MEAT COMMISSION Average fat-

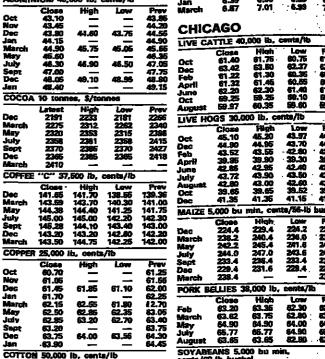
# PRECIOUS METALS traded

U.S. MARKETS

PRECIOUS METALS traded modestly lower on disappointment linked to the ability of the dollar to strengthen despite recent central bank intervention, reports Heinold Commodities. Slack physical activity led to presure on copper and aluminium prices. Sugar lost ground on a smaller than expected deficit projected by F. O. Light alonf with favourable harvest weather in Europe. Cocoa values fell sharply in response to a disappointing ggrind result for the UK along with an upward repointing ggrind result for the UK along with an upward revision in the 1984-85 surplus by a prominent trade hour. Coffee firme das key technical points were breached which touched off the loss by the breached which touched off the loss by the los stop-loss buying. Cotton consolidated at slightly higher levels with trading mainly confirmed to evening up abend of the USDA crop estimate. Sharp losses were registered in the energy complex on reports of Soviet shipments.







61.85 61.10 62.55 61.80 62.85 62.35 63.20 62.70 64.00 63.56

CRUDE OIL (LIGHT) 42,000 U.S. gallons, S/barrels 

Selea: 6.776 (1,128) lots of 10 tonnes, ICCO indicator prices (U.S. centa per pound). Daily price for October 10: 107.31 (10.18); sive-day average for October 11: 108.51 (110.41).

prices rem	out a fea sined within plume, repr ert, Values	n a na orte Di finish	
COFFEE	Yesterdy's Close	+ or -	Business Done
Jan		-2.0 +1.0	1804-1592   1641-1630   1671-1965   1791-1695

Seles: 737 (1,831) lots of 5 tonnes. ICO indicator prices (U.S. cems per pound) for Ocrober 9: Comp. daily 1979 120.84 (120.75); 15-day sverage 120.01 (119.52).

WHEAT BARLEY

Business dona--Wheat: Nov 104.85-1.60, Jan 108.10-7.90, Mar 111.15-1.00,

MEAT

stock prices at representative merkets, GB—Cattle 94.64p per kg hv (-0.41). GB—Sheep 154.64p per kg est dcw (+4.08). GB—Pigs 80.34p per kg lw

March 20.70 20.58 May 21.07 21.30 July 21.45 21.66 August 21.55 21.70 Oct 21.50 21.60 WHEAT 5.000 bu min,

**POTATOES** November opened £1.00 higher and in nervous trade registered further gains of £7.50 before profit-taking trimmed values. Distant positions were very quiet, awaiting fresh news and direction, reports Coley and Harper. Yesterday's Previous Business close close Done 64.00 86.50 85.16 67.00 88.86 81.00 81.80 81.78 87.00 87.86 85.50

Sales: 294 (360) lote of 40 tonnes. SOYABEAN MEAL

Low Prev 325.0 325.4 327.2 Oet 331.9 333.3 Jan 338.5 337.5 March 1

362.1 367.5 373.2 379.1

S per tenne

International Sugar Agree (U.S. cents per pound tob and a Caribbean ports). Prices for Caribbean ports). Prices for (4.84); average 5.03 (6.04). PARIS—(FFr per tonne): Bec 1: 1385, Mar 1407/1409, May 1435/1489, Oct 1505/1520, 1545/1570.

# Sales: 2,325 (2,116) jots of 50 Tate and Lyle delivery price for granulated basis sugar was £197.50 (£193.50) a tonne for export.

# Straw utilisation, a burning issue

of straw—equivalent in calori-fic value to 3m tonnes of coal—

For that portion of the straw crop produced away from traditional livestock markets, particularly in East Anglia, burning is simply the most economically viable option. The only alternative, for most farmers, is incorporation (ploughing in), which is energy and labour intensive and can and labour intensive and can seriously affect the yield of the following cereal crop.

Given the long-term concerns about rising energy costs, this abundance of wasted fuel would

For that portion of the straw

breweries, sugar beet processing, cement and brick manufacture, after all, use the equivalent of 8m tonnes of coal Yet straw as a fuel has been largely shunned, despite recent advances in high density baling which are starting to improve the product's notorious trans-

seem to be a glaring missed opportunity for those industries

based in the countryside. Rural industries like maltings,

portation difficulties. The biggest industrial straw burner at present is a chalk quarry in Suffolk which will use 2,500 tonnes a year when fully on-stream.

The main reason for the caution is the unpredictability of supply, and hence price. This late, wet harvest has vividly demonstrated the prob-Faced with the choice

goes up in smoke in British

coming on to the market is of for straw as a fuel over the poor quality; and, on top of these supply problems, this year there is fierce competition for supplies among livestock fired boilers installed up and producers who are now turning to straw as a substitute for ruined hay crops. The result is animal and domestic housing, and a for crown divising. that straw prices are well over and for crop drying.
double last year's level at With handling and storage
around £50 a tonne.

With handling and storage
costs of under £15 a tonne, on-

> A special correspondent looks at alternatives to British Agriculture's 'scorched earth' policy

idea precisely because of this whose hands are tied by the volatility. The switch from coal to straw laws. could easily be made, the com-pany says, but it would require extensive plant investment and could only be justified with guaranteed supplies at well

under 50 per cent the price of a chance of making the system industry. With a beet processing campaign running from September to January at account for 5m tonnes) are not sector is increasingly using factories situated in the arable heartland it is well along. between baling up straw or getting on with autumn cultivation, many farmers have simply cancelled arrangements to factories situated in the arable expected to show much growth. surplus straw to fudeliver straw to merchants. In heartland, it is well placed to Meanwhile prospects for indus- grain drying facilities.

One cement company which farm fuel use looks set to seriously considered the use of increase, particularly amongst

> restrictive straw-burning According to the Ministry of Agriculture, this on-farm fuel consumption could reach 1m tonnes by the end of the century. The advent of more efficient automatically-stoked boilers will certainly help.

straw as a partial coal replace- those farmers situated, for ment has now abandoned the example, alongside major roads, by-

But even 1m tonnes, against The only big rural fuel consumer which is thought to have

But even 1m tonnes, against 170,000 tonnes used today, will applied to the second today, will applied to the second today. still leave a substantial surplus

the words of one straw dealer:
"Straw is simply the last thing on their minds."

Furthermore, what straw is Furthermore, what straw is for straw as a fuel over the straw a

Of course, the position could be dramatically changed by an outright ban on burning in the field. The present Government insists that this is not under consideration, but pressure from environmentalists is mounting and the UK looks increasingly out of step with other EEC countries. In June the Danish Parlia-

ment set a precedent in environ-mental control by agreeing legislation which will effec-tively outlaw straw-burning by 1990. The news has under-pinned Danish industry's deter-mination to make straw-fuel work One single Danish pages work. One single Danish power station, for example, will soon be using 40,000 tonnes per annum. In Germany, meanwhile, the Government has introduced a system of limited straw-burning permits which make life so difficult that most straw is now baled or incorporated. Burn-in the field accounts for less than 5 per cent of production

in Germany, against 37 per cent in the UK last year, exclud-ing the area of stubble burnt after removal of straw. Even in France, which has no such rigid system of re-strictions, burning is a minority pastime. Of the 22m tonnes of straw produced each year,

3090-5); t ); setiten	hree month; ent 3050 (3 5-95. Turnov	3087 095). I	-90 ( Final
TIN_			
igh grade	Unofficial close(p.m.) £ par to:	_	High for
	250E 222	. 22	

Official 3760-30);	stocing (en three mont ment 8805 (	n): Ces	h 8804-5
andard			
ash months	8795-800 8706-8	+20 8 +29 8	810/8800 715/8685
3780-90);	closing (an	ns 8710	h 8804-5 -1 (8675-

	e: B/10-13. teraites tin \$		
ZINC			
Highgrade	: Unofficial close (p.m.) £ per to	· <del>-</del>	High/io
Cash 3 months	459,5-60,5 467-,5	,—3,8 ,—3	478,46
(465.5-8.5)	closing (a ; three mo	nchs 46	45 (47)

## **GOLD**

Gold fell \$1, to \$325\.\\$326\. on the London bulkion merket yesterday. It opened at \$325\.\\$325\.\\$ and was fixed at \$325\.\\$525\.\\$ and was fixed at \$325\.\\$525\.\\$ and a size of \$325\.\\$50 in the morning and \$325\.\\$50 in the morning and \$325\.\\$50 in the sizemoon. The meet traded within a narrow range all day, touching a low of \$325\.\\$325\.\\$ and a high of \$325\.\\$326\.\\$32 GOLD BULLION (fine ounce) Oct. 10

Mapieleaf \$335½ \$36¼ (£237½ 238) New Sov. 5784 47½ (£56½ 56) Old Sov. \$80.81½ (£56½ 57½) \$20 Eagle \$460 500 (£235 235½ 156%) Noble Plat \$332½ 336½ (£235 237½)

Buillon | + or L.M.E., + or Fixing | - Unoffic'i

SPOT PRICES—Chicago locse lard 15.00 (same) cents per pound. New York tin 568.01575.0 (568.0-573.0) cents per pound. Handy and Harman silvar buillon 623.0 (603.0) cents per troy

Brent traded actively, mainly for ovember and December cargoss, November and December cargoes while other crudes were neglected Brent prices tell sharply by 40c burscovered most of the loss before the close. November and treded 20c down to 1 pm EDT. Gasoline was stable in nominel trade while gas oil continued ta fall in a chaotic merket. Nephthe also softened in active present and the continued the fall in a chaotic merket.

GOLD 100 troy oz, \$/troy oz

.High Low 326.0 325.0

329.4 333.7 337.8

SPOT PRICES CRUDE OIL-FOS (\$ per barrell-Nov. Arab Light 27.76 (a) Parallel 27.76 (b) Parallel 27.76 (c) Parallel 27

Month

Turnover: 5.811 (2.652) lots of 100 FREIGHT FUTURES

The market opened firmer in quiet conditions and levels continued to rise throughout the day. Traded volume was thin and was attributable to the current nervourness in the physical market, reports Clarkson Wolff. The Baltic Freight Index was 869, up 0.5. Close |High/Low Prev. laver: 32 (132)

Premium gasoline | 281-285 | 247-249 | Heavy fuel oii | 133-134 | 242-244 | 127.5-127.5 +2.88 127.5-125.5 128.8 127.5-125.5 128.8 127.5-125.5 127.5-125.5 127.5-127.5 127.5-127.5 127.5-127.5 127.5-127.5 127.5-127.5 127.5-127.5 127.5-127.5 127.5-127.5 127.5-127.5 127.5-127.5 127.5-127.5 127.5-127.5 127.5-127.5 Sales: 704 (313) lots of 20 tonaes. SUGAR LONDON DAILY PRICE—Rew sugar \$133.00 (£94.00), up \$5.00 (up £3.50) 8 tonne for October-November deliveryhite sugar \$170.00. up \$3.00. News that the USSR has received the market lifted prices levels fell later, reports C. Czarniko 

# CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES	•	
D - 1	٠.	.   FUTURE
Ready to test G5 resolve		OPTION
The Gollar rose standing a m	•	I col

The dollar rose steadily in quiet and thin foreign exchange trading yesterday. The threat of central bank intervention on a large and co-ordinated scale continued to overhang the dollar's index rose to 131.1 follow a very cantious path from 130.8. from 130.8

group of Five agreement about a weaker dollar.

Today's figure on U.S. retail sales is expected to be encouraging, as far as the economy is concerned, and at the end of next week a revised figure on third quarter U.S. gross national product will be published. Last night's money supply statistics were expected to rise, and despite possible distortions caused by the Federal cash crisis, give support to the dollar. Dealers pointed out that when the U.S. debt ceiling is raised by Congress the Treasury plans a very large funding programme through to the end of the year, and this will also create demand for the dollar.

Japan was closed for a national holiday, and with European trading quiet, there was no sign of intervention by the German Bundesbank.

The dollar rose to DM 2,6580 from Figure way, did not appear to too provided the construction of the financial sectors in London, that a cut in bank base rares may not be too far away, did not appear

POUND SPOT-FORWARD AGAINST POUND

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Spot \$1,419-1.41% \$1,405-1.41% 0.44-0.41 pm 0.45-0.44 pm months 1.15-1.11 pm 1.18-1.15 pm months 8.90-3.60 pm 5.02-3.89 pm

9.8. months p.s.

3.61 1.16-1.11 pm 3.22
3.14 1.38-1.23 pm 2.70
5.86 57-54 pm 5.44
2.93 49.40 pm 2.35
2.66 94.8 pm 2.55
2.00 0.89-0.36 pm 1.77
7.00 59-47 pm 5.74
10.90 376-1395ds -15.06
-0.13 16-130 dis -12.7
-2.86 15-19 dis -2.89
-0.87 29-39 dis -1.05
-0.87 29-39 dis -2.87
3.27 7-57, dis -2.72
6.37 3.87-3.99 pm 7.54 57-57, pm 5.86
7.67 491-367, pm 5.86
7.67 491-367, pm 5.86
7.67 491-367, pm 5.86
7.67 55-76.65
ath 2.95-2.800 pm.

Oct. 101 & | 5 | DM | YEN | F.Fr. | 8 Pr. | H.FL. | Ura | CS | B.Fr. OTHER CURRENCIES

One Year

1 1.411 3.750 304.0 11.43 3.063 4.228 2529 1.952 75.85 0.709 1. 2.658 215.4 8.100 2.165 2.997 1792 1.569 53.75

0.867 0.376 1. 81.07 3.048 0.832 1.127 674.3 0.515 20.23 3.289 4.641 12.34 1000, 37.60 10.14 13.91 8317, 6.556 249.5

0.875 1.834 5.881 866.0 10. 2.697 5.699 2212 1.690 56.36 0.524 0.456 1.217 98.62 5.706 1. 1.371 820.5 0.627 24.61

H FL 0.827 0.534 0.887 71.91 2.704 0.789 1 598.1 0.467 17.94 Lira 0.598 0.558 1.488 120.2 4.530 1.219 1.672 1000. 0.764 30.00 C\$ 0.518 0.750 1.841 157.4 5.916 1.596 2.186 1309 1 39.86 BFr. 1.518 1.860 4.944 400.8 15.07 4.064 5.574 3534 2.547 100.

Yen per 1,000: French Fr per 10: Like per 1,000: Beig Fr per 100.

**EURO-CURRENCY INTEREST RATES** 

to undermine confidence in sterling, and it was still expected that the Bank of England will follow a very cantious path on interest rates. The pound rose to DM 3.75 from DM 3.7450; FFr 11.43 from FFr 11.4150; and SwFr 3.0825 from SwFr 3.0775, and was unchanged at Y304. DMARK — Trading range 2.4510 to 2.6190. September average 2.8370. Exchange rate index 127.7 against 121.6 six

menths age.

The D-mark lost ground to the dollar in quiet Frankfurt trading. The Bundesbank did not intervene when the dollar rose to DM 2.6533 from DM 2.6418 at the fixing. The major factor underpinning the dollar appeared to be expectations of high yields at the U.S. Treasury's refunding programme later this month. Last night's money supply figures, were also anticipated to show a large rise, discouraging the Federal Reserve from an early cut in its discount rate. Forecasts of a strong rise in today's U.S. retail sales figures also lent support to the dollar, but any temptation to push the currency higher was tempered by the fear of central bank intervention. As expected there was menths ago. vention. As expected there was no change in German monetary policy at the Bundesbank's council meeting. The dollar closed in Frankfurt at DM 2.65 compared with DM 2.6460 on Wednesday.

**CURRENCY MOVEMENTS** 

1980-1982-100. Bank of England Inde

**CURRENCY RATES** 

\*CS/SDR rate for October 9: 1,45496.

	-	
I	<b>FUTURES</b>	AND
1	FUTURES OPTIONS	
1	!	_
	Lacki	ing

Trading continued to lack any real direction on the London International Financial Futures Exchange yesterday. Sterling interest rate contracts had a firmer tone in early trading, after the optimistic forecast of UK inflation falling below 4 per cent next year, made by the Chancellor of the Exchequer, at the Conservative Party conference on Wednesday. Hopes may have been rekindled of a cut in clearing bank base rates, if sterling can gain a little further ground against the dollar. Dealers were prepared to push to one side the continuing sharp rise in sterling M3 money supply, in the belief the Bank of England is more concerned with exchange rates in determining interest rate policy at present.

December long gilts opened at 113-15 (quoted in 32nds), near the day's high, and finished around the middle of the day's range at 113-12 compared with 113-13 previously. Short gilts for December delivery showed good two-way business, within a very narrow range, finishing at 98-17 (quoted in 64ths) against 98-16 on Wednesday.

Dollar denominated contracts weakened, but remained in a narrow range. The high Federal

Dollar denominated contracts weakened, but remained in a narrow range. The high Federal funds rate of 84 per cent overnight in New York was largely technical, but coupled with uncertainty about the U.S. debt ceiling, and only temporary measures approved by the Senate to solve the Government's cash problem pushed prices down in Chicago on Wednesday, and led to a weak opening in London yesterday. Last night's U.S. money supply data were also expected to be distorted by the Government's cash crisis, and in the absence of any economic figures until today's U.S. retail sales figures, prices tended to drift lower.

December Treasury bonds fell to a low of 74-20 after Chicago opened, but in spite of a continued high Federal funds rate of 84 per cent, met with good buying, and finished in London at 74-31, compared with 75-03 previously.

7. Interest P. A. Horstein P. A. Hor STERLING INDEX Oct 10 Previous 80.0 80.2 80.0 80.1 CURRENCY FUTURES

POUND-S (FOREIGN EXCHANGE) MM STERLING Se per £

June Sept LIFTE-STERLING 225,000 \$ per E Close High Low Prev
Dec 1,4050 1,4055 1,4049 1,4045
March 1,3965 1,3970 1,3970 1,3980
June 1,3905 1,3910 1,3855 1,3930
Estimated volume 485 (272)
Previous day's open int. 3,220 (3,012) LIFFE-DEUTSCHE MARKS DM 125,000 \$ per DM Close High Low Prev 0.3735 0.3804 0.3750 0.3510 0.3829 0.3832 0.3832 0.3844 0.3865 — 0.3890 vist day's open int. 472 (470)

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu October 19	% change from central rate	% change adjusted for divergence	Diverge
Beigies Franc	44.8320	44.8640	+0.05	+0.82	±1.542
Danish Krone	8.12857	8.01917	1.35	-0.58	±1.642
Garman D-mark	2.23840	2.21247	-1.16	-0.39	±1.14€
Franch Franc	6.86402	6.74685	<b>~1.71</b>	-0.94	<b>∓1.38</b> €
Dutch Gulider	2.52208	2.49259	-1.17	-0.40	±1.514
Irish Punt	0.724578	0.715281	-1.28	-0.51	±1.657
Italian lira	1520.50	1495.13	-1.67	-1.53	±4.08
Change: week co	ere for E errenby, Ad	cu, therefore justment calc	positive chi ulated by F	inge denotes Inencial Times	

## **MONEY MARKETS**

B.Fr.(Fin)... Br.Fr (Con)

# Slight signs of optimism at 11.4 per cent; film bank bills in band 3 (34-63 days) at ance and a take-up of Treasury 11.1 per cent; fim Treasury bills ance and a take-up of Treasury 11.1 per cent; fim Treasury bills drained £455m, with a rise in band 4 (64-91 days) at 11.4 per cent. In the afternoon the Bank of England purchased another 1249m bills in band 1 at 11.1 per cent; fin band 1 at 11.1 per cent; figsm bank bills in band 1 at 11.1 per cent; figsm bank bills in band 3 at 11.1 per cent. These months U.S. dollars

Long-term Eurodollars: two years  $9^{\circ}_{-}9^{\circ}_{-}$  per cent; three years  $9^{\circ}_{-}10^{\circ}_{-}$  per cent; four years  $10^{\circ}_{-}10^{\circ}_{-}$  per cent; five years  $10^{\circ}_{-}10^{\circ}_{-}$  per cent nominal. Short-term rates are cell for U.S. dollars and Japanese yen; others, two days' notice.

818-814 8-815 8-815 8-814 8-814

914-91e 91e-95e 616-6-1 9-91e 814-81e

maturing in official

**NEW YORK RATES** 

Interest rates remained steady on the London money market yesterday, although dealers were slightly more optimistic about inture trends after the Chancel-lor of the Exchequer's forecast of inflation below & per cent next year. This had no immedi-ate impact but there was hope that the Chancellor's speech at the Mansion House next week will produce something more substantial for the market. Three-month interbank closed per cent. Late assistance of £110m was

UK clearing banks base leading rate 11½ per cent since July 30. unchanged at III-11I per cent, (Lunchtime)

and discount houses buying rates for three-month bank bills eased to 11th per cent from 11th per cent.  The Bank of England forecast a market shortage of £400m in the morning, but changed this to £450m in the afternoon, and provided total help of £437m.  Before lunch the authorities bought £78m hills outright, by way of £1m Treasury bills in band 1 (up to 14 days maturity) at 11th per cent; £47m bank bills in band 1 at 11th per cent; £47m bank bills in band 2 (15-33 days)	Prime rate Broker loan rate Fed funds Fed funds at intervention Treasury Bills & Bonds One month Two month Three month Six month One yeer Three year Four year Saven year So year	

MONEY RALI	L-3		<u>: </u>		-	
Oct. 10	CV r nig't	One Month		Three Months	Sb. Months	Lombi la'v'nt
rankfurt	78 1 48	4.60-4.76 9-6-9-6 3-8-4-6 5-6-5-79	4.8-4.7 9% 9%		4.654.60 94-94 54-57	5.5 94:
Mate CEM,	6.40625 1414-14191 7.86	6.46875		6,46875 1378-1414 948-94 918-94	97g-101g	Ξ

The fixing rates are the erithmetic means, rounded to the searms one-skeenth, of the bid and offered rates for \$10m quoted by the market to LONDON MONEY RATES 10-117a | 118a-117a | 118a-118a | 11a-118a | 11a-117a | 10-115a 115a-115a 100a-117a 113a-117a Treasury Silis (sell): one-month 11½ per cent: three-month 11½ per cent. Bank Silis (sell): one-month 11½ per cent. three-month 11½ per cent. Treasury Silis: Average tender rete of discount 10.8850 per cent. ECGD Fixed Finance IV: September 4 to October 1 (inclusive): 11.857 per cent. Local centonity and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 12 per cent from October 1 1855. Bank Deposit Rates for sums at seven days' notice 8.25-8.625 per cent (net). Certificates of Tax Deposits (Series 6): Deposits £100,000 and over held under one month 11½ per cent; the cent three-selx months 11½ per cent; the per cent three-selx months 11½ per cent; three-selx months 11½

bid 8 144

Three months U.S. dollars

	IL MARKETS								
·		· . · :				_ :. 、			
					•				
LON	DON					REASURY 10,000 32:			<del></del>
	R 12% N 32nds (		L GILT		Dec	Close 74-31	High 75-00	Low 74-20	Prev 75-03
	Close	High	Low	Prev	March	73-28 and volum	73-24	73-24	73-28
Dec March	113-12 113-14	113-16	113-09	113-13- 113-15		* day's (			,017)
June		_	_	_		· .	-	-	
Sept Dec	172-14 112-14	=	=	112-15 112-15	CHIC	CAGO			
Estimat	ad volue					REASURY			
	s day's				8% \$10	0,000 32	nds of 10	<b>10%</b>	
Теали	pote (cl y 2004-0	N jese Sali Cati	n processo Marinasias	n 13776 It tarica		Latest	High	Low	Prev
of nes	r future:	contra	ct) -6	to +4	Dec March	74-29 73-23	74-31 73-26	74-18 73-13	74-24 73-18
(32nde)	<del>}.</del>				Times meter	72-23 72-22	72-22	72-11	72-16
10% N	OTIONAL	. SHORT	GILT		Sept	71-21	71-21	71-14	71-17
£100,00	0 64ths (	of 200%			Dec	70-26	70-27	70-26	70-20
	Closs	High	Low	Prev	March	_	_		63-26
Dec	98-17	98-18	98-18	98-15	June Sect	=	_	_	89-02
March	98-33			98-32	Dec	67-29	67-29	67-29	87-26
Previou	ad volum s day's	ne sau (* Jan nego	1,481 (1	.547)	March			_	67-08
	МОМТН	-				EASURY		(IMBA)	
£500,00	0 points	of 100%	₹.		2140 bo	ints of 1			
	Close	High	Low	Prev	Dac	Latest	High	Low 92.74	Prev
Dec March	<b>89.10</b>	\$9.10	89.03	89.06	March	92.76 92.41	92.77 82.42	92.74 92.39	54.42
June	89.55 89.60	89.55 89.60	89,49 89,56	89.50 89.56	June	92.05	92.08	92.05	92,06
Sept	89.60	88.56	29.56	29.57	Sept	91.72	91.72	.91.72	21. C:
Dec	89.60	89.56	89.56	B9.58	Dec	91.43	91.43	<b>91.43</b>	91.42
Estimat	nutov be	ne 1,347	(1,476)		March June	_		_	91.16
Pr aviou	e day's ∈	open int	7,261 (3	1,012)					90.90
Fr-SE 1	00 INDE	×			CERT	DEPOSIT	(IMMI)		
525 per	full Ind	m point	· .		Jim po	Latest		Low	Prev
	Close	High	Low	Prev	Dec	91,93	High	91,93	91.96
Dec March	131.95	132.20	131,55	137.30	March	91.54	=	91.54	91.57
	132 <u>.95</u> ed volum			132,30	June	-	_		91.18
Previou	s day's (	15 1// (2 hnen int	1 245 /1	2001	Sept	_	_	_	90.82
				,,,,,,	THREE-	MONTH 1	URODO	LAR (IN	MM)
Sim co	MONTH!	EURODO Mov	LAR		\$1m po	ints of 10	0%	•	-
pu					Dec	Latest	High	Low	Pres
	Cines	High:	Low	Prev	<del></del>	91.62	91.62	S1.58	91.63

2 91.64 91.60 91.68 91.27 91.23 91.31 9 50.89 90.85 90.93 9 90.54 90.52 90.57 1 90.54 90.52 90.57 1 90.54 90.52 90.57 1 90.54 90.52 90.57 1 90.54 90.52 90.57 1 90.54 90.52 90.57 June Sept Dec March June Sept 97.23 90.85 90.50 90.17 90.86 90.51 90.17 90.83 90.49 90.17 90.86 90.50 90.17 LIFFE E/S OPTIONS £25,000 (cents per £1) Puts - La March 0.72 1.48 2.65 4.40 6.76 9.71 13.20 LONDON SE E/S OPTIONS £12,500 (cents per £1)

Puts Last March 0.90 1.60 2.80 4.30 6.85 9.90 13.00 March 21.50 16.80 12.80 8.80 6.50 4.20 2.70 int, Calls June 1.60 2.60 4.20 6.20 8.20 11.50 14.60 PHILADELPHIA SE E/S OPTIONS £12,500 (cents per £1)  Company Notices

## **CHEMICAL BNEW YORK CORP**

USD 250,000,000 Floating Rate Subordinated Capital Notes due October 1997

In accordance with the provisions of the notes, notice is hereby given that for the interest period from October 9th 1865 to January 9th 1866 the notes carry an interest rate of 8th per cent per annum. The interest payable on the relevant interest payment data January 9th 1996 against coupon No. 1 will be US\$1062.15 per US\$50,000 note.

Agent Bank
Chemical Bank

# PETROLEOS MEXICANOS

USD 125,860,000 Floating Rate Notes 1991 for 6 months

In accordance with the provisions of the notes notice is hereby given that the rate of interest has been fixed at 8f per cent per annum. Interest payable April 11 1986 against Coupon No. 10 will be USD 218.02 against 5,000 Note by Chemical Bank. London (Agent Bank)

NOTICE OF PREPAYMENT **BANQUE NATIONALE** U\$\$250,000,000

Floating Rate Notes due 1989

NOTICE VS HEREBY GIVEN that, in accordance with clause "Redemption and Prepayment." Redemption and Prepayment." Redemption in the Notes, and the Notes, Sanque Nationale de Paris will prepay all of the ourstanding Notes at their principal amount on November 12, 1985, when interest on the Notes will cease to accrue. Payment of principal will be made upon presentation and against surrender of the Notes with all unmatured coupons attached at the principal office of Banque Nationale de Paris (Luxembourg) S.A. in Luxembourg or of Banque Nationale de Paris (Luxembourg) S.A. in Luxembourg or of Banque Nationale de Paris (Luxembourg) S.A. in Luxembourg or of Banque Nationale de Paris In London or at Banque Nationale de Paris PLC in London or at Banque Nationale de Paris J. 1985. Will be paid in the normal manner upon presentation and against surrender of coupon no. 7 on or after November 12, 1985.

By: BANQUE NATIONALE DE PARIS, PARIS.

DIMOSIA EPIHIRISIS ELEKTRISMOU (PUBLIC POWER CORPORATION) Notice is bereby given that for the interes Beriod commencing on October 15, 1983 the Notes will bear interest at the rate of 8'3's per assent. The interest payable on April 15, 1985, against Coupon No 7 will be USS21,802.08 per USS500,000

Public Notices INSURANCE COMPANIES ACT 1982

FISCAL AGENT ORION ROYAL BANK LTD.

DEPARTMENT OF TRADE AND

Legal Notices

IN THE MATTER OF IDEALGEN LIMITED

NOTICE IS HEREBY GIVEN that the craditors of the above-nemed Company, which is being voluntarity wound up, are required, on or before the 15th day of November, 1855, to send in their full Christian and sumames, their addresses and descriptions, full perticulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned Brian Mills of 1 Wardrobe Place Carter Lane, London ECAV SAJ, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be accluded from the benefit of any distribution made before auch debts are proved. are proved.

Deted this 27th day of Septe 1985.

arian Mills, Liquidator

Announcements

Holidays and Travel

HISCOUNT AIR—First & Business fares. Spec. Rates. All credit cards. Tel: 01-530 7661, Teles: 8813271 (0114). ABTA.

Clubs

EVF has outlined the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and too musicians, glamorous hostesses, esticing Boorshows. 189. Repent St. 01-734 0557.
FOR YOUR OFFICE PARTY (especially at Xmax) bure your own club right in the centre of town. Superb rates for all inclusive party.

For further into ring 01-930 2806.

VALUE OF DOLLAR

52,985

CURRENCY

# WORLD VALUE OF THE DOLLAR BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

CURRENCY

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, October 9, 1985. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All

Bank of America, Economics Dept., EM.E.A. London Eurodollar Libor as of October 9 at 11,00 a.am. 3 months: 8} 6 months: 8}

CURRENCY

.

COUNTRY

VALUE OF DOLLAR

COUNTRY

rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions. Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

ECU=\$US.835743 SDR1=SUS1.6634 Sibor as of October 9 at 11.90 a.m.
3 months: 81 6 months: 81

(Guarani (c.c.) (Guarani (d) Sol (o) (2) Peso N.Z. Dollar . Zioty (o) (3) . Escudo . U.S. dollar Dhmi 50,60 7,1479 4,985 8,0675 Z. Caribean S 169.15
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1.00
0.3769
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54.095
2.016
2.0986
720.00
2.146
403.375
1.072000
2.146
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403.375 op. reseta Kwanza E. Caribbean Austral (6) Dollar Schilling Port. Escudo ourde Leu (o) Leu (o) Franc Hong Kong. Hungary..... Krona Rupse(10) Ruplah Rial (o) Dinar Punt\* Shekel (10) 2.70 1.413 2.70 8.0675 2.70 2.129 1.00 1784.00 E. Caribi Pound® pollar
j Franc (c)
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U.S. \$
It. Lira 42,5521 Dollar (o) (5) audi Arabia. Riyal (7) C.F.A. Franc enegal..... eyohelles .. ierra Leone Rupea Leone Dollar Dollar Shilling Rand Peseta n.a. 15,1861 1,4318 0,94 891.50 Lev C.F.A. Franc Kyat Franc C.F.A. Franc Dollar C.F.A. Franc Dollar Sp. Peseta Escudo Dollar C.F.A. Franc C.F.A. Franc Renminiol Yus Peso (a) C.F.A. Franc C.F.A. Franc Colon Peso Pound\* Koruna (a) Kuwait ...... Lao P'pis D, Rep . Lebenon 27.57 2.50 Palaca Franc Franc Port, Escudo Kwacha Ringgit Rufiya C.F.A. Franc 2.1763 **3.**925 Maiawi ..... Maiawi ..... Maiawe Is... Maii Rp..... Matta ..... Martinique. Koruna (o) Krone Franc E. Caribbean \$ 6.70 9.585 156.044 2.70 1.00 2.978 C.F.A. Franc
Lira\*
Franc
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Rupes
Peso (d) (12)
Peso (e) (13)
Fr. Franc
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E. Caribbean Baht C.F.A. Franc 1,4318 2,409 0,7998 549,05 1,00 1,4318 Tonga is...... Pa'ang: Trinidad & Tobago Dollar Peso (d) urks & Calcos Sucre (d) Sucre (f) 112.65 98,75 Aust. Dollar Pound (e) (Colon (d) (CF.A. Franc (4) 684,45 0.85 1.33 2.60 5.50 403.375 2.0524 9.585 1.413 1.1121 5.693 8.0676 403.376 8.0676 146.682 403.375 Egypt, Birr (o) Dan. Krone 1,4518\*
18,30
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405,375 Pound\*
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C.F.A. Franc Bolivar (g) - Bolivar (g) (I) Bolivar (o) 7,50 4,50 14,62 Neth Ant'les ...... New Zealand .... C'ty in Af. Cordoba
Cordoba(d) 94.0578 1.00 1.00 C.F.A. Franc C.F.A. Franc Fr. Pac. is loaragua ...... 0.9225 7,8875 Naira Krone 7.50 0.343 298.13 Mark Cedi (14) Pound\* Drachma Dan. Krone Oman Sultanate of Rial

n.a. Not available. (m) Market rate. \*U.S. dollars per National Currency unit. (a) Freemarket central bank. (b) Officiel rate. (b) Freemarket interbank. (c) Commercial rate. (d) Freemarket. (e) Controlled. (f) Financial rate. (g) Preferential rates. (h) Non-essential imports. (i) Floating tourist rate. (v) Venezuela: For debts incurred prior to February 1983. (2) Peru. August 2: Official rate devaluation of approx. 12 per cent. (3) Poland, June 1: Official devaluable of 13.2 per cent. (4) Equatorial Guines: December 31. Currency joins Franc zone. (5) Jamaica: November 8, Rate adjusted fixed by Central Bank bi-weekly suction. (6) Software. August 4: Pula revalued by 3 per cent rate in a per cent. (5) Argentine: June 10, Official devaluation of 18.8 per cent. (1) Italy: July 21, Official devaluation of 18.8 per cent. (1) Italy: July 21, Official devaluation of 18.8 per cent. (10) Israel: to replace old free cate. (13) Mexico: July 24, Controlled pero rate devalued by 16.7 per cent. (14) Ghana: August 12, Cedi devalued by approximately 7 per cent. For further information places contact your local branch of the Bank of America.

ARE SERVICE

| The property of Financial Times Friday October 11 1985 36 Financial Times Friday October 11 1985

ENGINEERING—Continued

| Stack | Price | - Net | Cwrist's PE | Nep | Low | Stack | Price | - Net | Cwrist's PE | Nep | Low | Stack | Price | - Net | Cwrist's PE | Nep | Low | Stack | Price | - Net | Cwrist's PE | Nep | Low | Stack | Price | - Net | Cwrist's PE | Nep | Low | Stack | Price | - Net | Cwrist's PE | Nep | Low | Stack | Price | - Net | Cwrist's PE | Nep | Low | Stack | Price | - Net | Cwrist's PE | Nep | Low | Stack | Price | - Net | Cwrist's PE | Nep | Low | Stack | Price | - Net | Cwrist's PE | Nep | Low | Stack | Price | - Net | Cwrist's PE | Nep | Low | Stack | Price | - Net | Cwrist's PE | Nep | Low | Stack | Price | - Net | Cwrist's PE | Nep | Low | Stack | Price | - Net | Cwrist's PE | Nep AMERICANS-Cont. **NOMURA** LONDON SHARE SERVICE Price + or Dir Y'M £ - Gross C'm Er's 1905 High Law INTERNATIONAL LIMITED BUILDING, TIMBER, ROADS-Cont. | Second | Second | Price | Pr **NEW-ERA INVESTMENT** AND UNDERWRITING OFFICES WORLDWIDE 24 Monument Street London EC3R 8AJ Telephone 01-283 8811 Stock E - Int. | Red. "Shorts" (Lives up to Five Years) | 101.5| | 101.6| | 101.5| | 105.5| | 106.5| | 106.5| | 106.5| | 106.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 107.5| | 1 CANADIANS Undated 37- Consels 4pc 33- War Loan 31-pc;† 411- Conv. 31-pc; 1st Aft. 28- Trees. 3pt '66 Aft. 28- Consels 21-pc 23- Consels 21 Index-Linked 1174 1054 ress. 2cc 28 1014 914 00. 2cc 20 1144 1084 00. 2cc 20 1034 98 00. 2cc 20 1074 101 00. 2cc 20 1074 101 00. 2cc 20 904 85 00. 2cc 20 904 85 00. 2cc 20 974 91 00. 2cc 20 977 91 00. 2cc 20 (1) (297.1) (333.9) (267.9) (308.8) (310.7) (274.1) (310.7) (294.1) (351.9) (327.3) | 13 | 10 | 2 | 4 | 113 | 10 | 2 | 4 | 115 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 B months prior to issue. RPI for January 1985, 359.8 and for Augu 1985; 376 7. | 1985: 376 7. | 1987 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | 1988 | | 1985 | High Law | Singk | Price | Feet | West | West | Price | Feet | West | West | Price | Feet | Feet | Price | Feet | Fe | 1081 | 1081 | 1081 | 1082 | 1083 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | 1084 | DRAPERY AND STORES COMMONWEALTH & AFRICAN LOANS 85) 77-92 1988-92 85-1 886 10.72
991 941 Do. Pige 13-86 97 994 77.70 11.54
192 178 5 Rithol Pige Rior-Astrid 192 178
174 62 Do. 41-92 87-92 Astrid 192 178
174 52 Do. 41-92 87-92 Astrid 192 174
174 512 177 Zembather Ann (£100pa) 240-41-1 13.48 | Construction | Cons LOANS FOREIGN BONDS & RAILS | FOREIGN BONDS & RAILS | 1985 | Low | Stock | Price | + or | 100 % | Red. | Red. | 17 | Chinese 4/no. 1896 | 21 | - - | 20 | 17 | Chinese 4/no. 1896 | 21 | - - | 21 | - - | 24 | 16 | 00. 5or. 1912 | 21 | - - | 21 | - - | 21 | 17 | 91. | 00. 5or. 26 Boner | 12 | - - | 25 | 31. | 16.48 | 25 | 55 | Greek / pr. 455. | 55 | 31. | 15.48 | 31. | 50.2 | 50.5 | 50.0 | 10. | 50.2 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 

Financial Times Friday October 11 1985

\*\*\*PRINCIPLE STATE OF THE PRINCIPLE STATE OF THE PR TRISTS - Cook | FIRANCE | LAND INVESTMENT TRUSTS—Cont. Price - Ret Ger Gris | 177 | 200 | Procurativit & Sand | 125 | 200 | 222 | 125 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | | 137 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 128 | 193 | Schelle | Schelle | 193 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 19 27 Oo. Warrants

77 Precious Metals Ts

294 Reselvan

102 Rights & Iss. Cap.

125 River & Mercantille

125 Rosens My FILD

121 Do. Sah. Shs. FI. 1

122 Rosensy Trust

122 Rosensy Trust

123 SPLIT tex. 10p

143 SPLIT tex. 10p

144 SPLIT Cap. 10p

15 SCO. Cates W

179 Score. East. Inv.

225 Scottish Inv.

360 Sec. Mort. & Tsl.

204 Scott. Market Isv. 5p.

165 Securities Tsl. Scot.

165 Sinter Inv. 5p

166 Securities Tsl. Scot.

167 Securities Tsl. Scot.

168 Sinter Inv. 5p

169 Securities Tsl. Scot.

165 Sinter Inv. 5p

162 De. Lipe Couls 2004.

165 Sinter Inv. 5p

165 Securities Tsl. Scot.

166 Sholder For East S1.

176 IT Rosens Resources.

179 TR Hourst Resources.

179 TR Hourst Resources.

179 TR Hourst Resources.

179 TR Prop. Inv. Tsl.

120 TR Prop. Inv. Tsl.

121 Trustees Corp.

123 Trustees Corp.

124 Trustees Corp.

125 Trustees Inc. 5p

126 Us Dec. Der.

127 Trustees Corp.

128 Us Dec. Der.

129 Trustees Inc. 5p

120 Us Dec. Der.

130 Tribuse Inves.

131 Do. Warrants

140 Winserbottom 5p

141 Sp

152 Do. Cape Isl.

153 Winserbottom 5p

154 Winserbottom 5p

155 Wereaux Inv.

156 Workers Inv.

157 Winserbottom 5p

158 Winserbottom 5p

159 Winserbottom 5p

150 Wereaux Inv.

150 Wereaux Inv. ■以常籍新统品共**后**丘涵通归战党等水西河委委员会聚党党党"外党对策"和党党委员会的政党党之国际法令表现不过规范内范围与法院共和党的政党 245 167 97 650# 28 35 17# 250 165 128 175 128 5085 c 3.9 0.1 -1 3.75 0.9 3.5 -200 - 0.8 +25 - - - --5 120.0 2.8 5.2 +2 120.0 2.8 5.2 +2 120.0 7.9 سست. اوق المالة، 91- i | 1985 | 139 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 9.0 0 1.6 35.0 4.3 3.1 165.73 4.5 4.6 8.4% 7.6 6.9 912.0 0 2.4 5.0 6.7 2.7 20.0 3.9 6.5 800 ..... £116 ..... 250 ..... 1742+2 700 .... 254 -1 448 +5 MINES | Central Rand | S38 | Central Rand | S38 | Central Rand | S58 | Central Rand | S58 | Central Rand | S58 | Central Rand | S75 | Central Eastern Rand | Rand | 102 | +2 | 03002 | 0 | 25.6 | 288 | +6 | 9053.3 | 0 | 5.0 | 223 | -2 | 225 | 22 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | 221 | Castern | Cast Arnots
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220e 3.0 7.3
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080d 1.4 7.5
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080d 1.1 7.5
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180d 1.6 7.5
180d 2.1 7.5
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180d 2.7 7.5 LEISURE 0 4 22 30 174 595178 1189 — 610 — 1109 — 810 11 71 1151 50 14 13 1223 70 20 14 13 1223 70 20 14 13 1223 10 — — — — 10 — 52 4 10 — 52 4 12 5 4 60 4 "Recent Issues" and "Rights" Page 42
(International Edition Page 38)
This service is available to every Company dealt in on Sinck
Exchanges throughout the United Kingdom for a fee of £800 per
analysis for each security.

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Ranunciation data usually last day for dealing free of stamp duty. A Figure based on prospectus estimates. g Assumed dividend and yield. u Foresex dividend cover based on previous year's earnings. p Pence unless otherwise indicated. I lasued by tender. I Offered holders of ordinary salars as a "rights." "I saused by tender. I Offered bolders of ordinary shares as a "rights." "I saused by way of capitalization. Si Reintroduction with reorganization serger or telecover. E Allottest letters or fully paid. I introduction. Si United Securities Market. Si Pickap price. #3 Deatt in under Rule 535 (3). P Deatt in under Rule 535 (4) (a).

FIXED INTEREST STOCKS

RECENT ISSUES

**EQUITIES** 

RIGHTS OFFERS

# Equities respond to revived institutional demand 123p while Invent Energy jumped £1½ to a year's high of £17½ on buying ahead of the proposed share split from a nominal 25p to 5p a share which is expected to take place in the next couple of weeks. Further consideration of the North Sea oil find boosted Sun (UK) Royalty 10 to 180p. Persistent selling pressure lowered £dinburgh Oil and Gas 3 to a year's low of \$2p and Floyd Oil a like amount to \$7p. The U.S. exploration issues provided a firm feature in Great Western Resources which jumped 15 to 100p but Firstland Oil and Gas remained a vulnerable market and slipped 10 to \$5p. A firm Australian oil sector showed Oil Search up 6½ more to 4½p—a three-day improvement of around 20—still reflecting the encouraging reports from the company's Mananda 3 well in Papua New Guinea. Elsewhore in "down-under oils Weeks Australia advanced 5 to 56p with the options a few peace better at 22p. Alliance Oil Development were suspended at 49½p. following the similar move by overnight Australian exchanges, on news that Santos is seeking to acquire the minority interest in the company. Irish exploration issues lost ground. FT index rallies 10.8 to 1017.8

"First Declara- Last Account Dealings tions Dealings Day Sept 30 Oct 10 Oct 11 Oct 21 Oct 4 Oct 24 Oct 14 Nov 4 Oct 28 Nov 7 Nov 8 Nov 18

Despite another poor performance by Hanson Trust on continuing worries about the outcome of its bid for SCM, the Financial Times Ordinary share index closed at the day's best with a rise of 10.8 at 1,017.8.

Secondary stores were enlivened by Ciayform Properties' bid for Owen Owen. This also bid for Owen Owen. This also aroused a marked revival of speculative activity in many of the other potential pid candi-dates throughout the sectors. Apart from GKN, Engineers met with a considerable amount of selective buying. Olls in con-trast, were subdued as price

worries resurfaced.

The Chancellur's forccast of a decline in the inflation rate to below 4 per cent by the middle of next year helped sentiment in conventional Gilts, but prompted an easier trend in index-linked issues which recorded falls ranging to 1.

Overall, trade remained at a Overall, trade remained at a low level, with conventional stocks fluctuating narrowly before closing a fraction harder

and not for the Bank directly, ment stimulated excitement in other news damocned buring other secondary stores, notably enthusiasm for other Life issues Elys of Wimbledon which and the majority settled a shade lower on balance. Composites controls almost 30 per cent of also gave modest ground, as did Liberty, S. Simpson, 275p., Loyds brokers. Willis Faber, and Liberty, 810p, advanced 20 however, were an exception and apiece, while Bentalls improved

Smith St Aubyn firmed 2 to 41r on takeover hopes. Australian banks went ahead on domestic

influences.

Breweries traded in a more A revival of institutional buysubdued manner than of lateing brought equity markets to
life yesterday and provided a
welcome respite from the recent prompted the liquidation of welcome respite from the recent spell of inactivity on London stock markets. Government securities in contrast, tended to be overlooked, but traded on a quietly firm note.

The Chancellor's optimism about the rate of the expected fall in inflation coupled with his pledge to reduce taxaction and confident remarks about the current state of the UK economy were enough to boost investment confidence which had

current state of the UK economy were enough to boost investment confidence which had shown distinct signs of flagging recently.

Selected blue chip industrials attracted some sizeable buying in particular GKN, which closed at a new high for the year of 2490. BOC were also well to the fore, while British Aerospace enjoyed another brisk trade. Many of the day's gains, however, were exaggerated by demand which revealed an underlying stock shortage.

Despite another poor performand Hill continued to reflect the good interim figures with a fresh gain of 10 at 428p, while recently-dull Turriff Corporation rallied 25 to 170p. John Maunders, however, settled 4 cheaper at 136p, the annual profits failing to match best estimates. French Kier added 3 more at 207p on Trifalgar House hid hopes, while SGR, up 60 on bid hopes, while SGB, up 60 on Wednesday following C. H. Beazer's tender offer, closed 2 higher at 222p, after 224p. Ruberold gained 26 to 183p in reply to the better-than-expected interfur results. Mayor Interinterim results. Meyer Inter-national touched 156p prior to closing a penny dearer at 154p on talk that a sizeable stake had changed hands.

In the Chemical sector, Horace Cory reacted to 14p before clusing 21 down at 15p following page interim results.

following poor interim results. Owen Owen reject bid

Business in Stores began on

an active note as Clayform Pro-perties launched a bid for perenlow level, with conventional stocks fluctuating narrowly before closing a fraction harder on balance.

Refuge react

In the Insurance sector, Refuge, a rising market recently on takeover hupes, reacted 16 to 360p on the announcement that the 5 per cent stake held by Bank of Nova Scotia is on behalf of Canadian investment clients and not for the Bank directly.

The news damoened buying perties launched a bid for perennial takeover favourites Owen. The latter's share price quickly established a sizeable premium over the share exchange terms and touched 470p before closing 25 up on balance at 455p. Owen Owen rejected the offer. Clayform, which already holds an 11.6 per cent stake in Owen Owen, also revealed first-half results and rose 12 to 212p. The development of the stimulated excitement in other secondary stores, notably

FINANCIAL TIMES STOCK INDICES

·	IO IO	Oct.	Oct. B	Oct.	Oct.	Oct. 3	year ago
Government Secs	84,10	84.08	84,02	84.16	84.51	84,08	80.46
Fixed Interest	90.06	89.96	89.86	89.89	89.85	89.75	84.50
Ordinary <b>▼</b>	1017.8	1007.0	1007_2	1012.4	1016,5	1010.9	870.6
Gold Mines	290.8	290,2	289,2	287,4	287.2	281,7	556,2
Ord, Div. Yield:							
Earnings, Yld. %(fulf);							
P/E Ratio (net) (")	10,82	10.78	10,78,	10.74	10.79	10,73	10,34
Total bargains (Est.):	21,837	20,548	21,818	21,718	21,189	20,792	18,760
Equity turnover £m.	- '	397.01	313,85	348,14	411.11	411,76	388,42
Equity bargains	- i	18,830	19,270	19,881	18,797	18,618	18,70
Shares traded (mi)	<b>–</b> į	203.4	170,7	179.5	209.5	222,8	265.2

2 pm 1016.1, 3 pm 1016.3, 4 pm 1017.5.

Day's High 1017.8, Day's Low 1012.1. Basis 100 Govt, Secs. 16/10/28. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/8/55. SE Activity 1974. Latest Index 01-246 8026 \* Nil = 10.43.

HIGHS AND LOWS	S.E. ACTIVITY
	INDICES

	190	85	Since Co	mpilatin	!	Oct.	Oct
	High	Low	High	Low	Daily		
Govt. Secs.	84,31 (4/10)	78,02 (28/1)	127.4 (8/1/85)	49.18 (6/1/7)	Gift Edged Bargains Equities		146.0
Fixed int	90,06 (18/18)	82,17 (28/1)	160.4 (28/11/47)	50.53 (\$(1/75)	Bargains Value 5 dayAverage	802,5	134.9 634.4
Ordinary	1024,5 (22/1)	911.0 (25/7)	1024,5 (22:1/85)	49,4	Gift Edged	1	145,3
Gold Mines	536.9 (16/4)	280,1 (29/8)	784.7 (15/2/88)	43.6	Equities Bargains Value,		122,6 772,8

worth, a nervous market of late, rallied 8 to 222p, after 224p. Ward White, also sold recently, staged a smart recovery and closed 12 higher at 292p; the company now hold over 29 per cent of Maynards.

Leading Retailers were overlooked for great of the section.

leading Retailers were over-looked for most of the session, aithough the occasional bright spot was evident. Gussies "A," 835p, and Woolworth, 490p, hardened 5 apiece. Eaybeck added a couple of pence to 34p after announcing a reduced first-half loss and the return to the interim dividend list. the interim dividend list.

Electricals participated in the general upturn. BICC featured leading issues with a rise of 8 to 228p, while GEC hardened 4 to 158p, after 160p. Elsewhere, Ferranti met revived support and put on 6 to 124p, but Kode International, an extremely nervous market since the publication last month of disappointing interim results, enthusiasm for other Life issues and the majority settled a shade lower on balance. Composites also gave modest ground, as did Lloyds brokers. Willis Faber, however, were an exception and firmed 4 to 708p following a broker's circular.

The major clearers traded quietly, but still managed modest progress. Discount house interim figures, while J. Hep-

after-hours and settled 5 lower

after-hours and settled 5 lower at 82p, while Synapse Computer Services, annual results due next Tuesday, fell 8 to 185p.

The Engineering sector attracted a substantially increased business and provided numerous firm features. In the leading group Hawker Siddeley improved sharply after-hours and closed 10 to the good at 389p ahead of next Wednesday's interim results. GKN jumped 14 to a 1985 high of 249p while Babeock International put on 10 Babcock International put on 10 to 142p following the flexibility agreement with workers at its Babcock Power subsidiary in Renfrew. Other firm spots included APV Holdings, 11 higher at 248p, IMI and Laird Group, which added 4 spiece at 105p and 192p respectively. Recently-dull ML Holdings rallied 11 to 291p. Noble and Lund inwared 291p. Noble and Land jumped 14 to 51p on asset-injection hopes. GEI International en-countered good support late in the session and rose 7 to 95p.

Buyers reappeared for Food Retailers. Tesco stood out with a rise of 8 at 278p, while Dee Corporation firmed 7 to 237p and takeover favourite Kwik Save added 4 to 228b. Bejam gained 6 to 192p ahead of the annual results due next Wednesday. Confectionery issues also attracted buyers with Bassett 9 higher at 161p and Needlers 6 to the good at 124p. Rowntree Mackintosh revived with a pain of 5 at 378p. Elsewhere, recently-dull Northern Foods rallied 6 to 264p, while Unigate improved 5 to 196p. Somptoney different

YESTERDAY'S **ACTIVE STOCKS** 

BP
Coloroll
Distillers
European Ferries
Falcon Res.
GKN
Kenning Motor
Noble and Lund
Owen Owen
Partitlel
Ward White
Whitecrott

Somportex attracted

average activity was note; in lowing stocks yesterday.

Closing Day's price change in 543 - 7 li 127 + 9 li 127 + 19 li 127 li 1

developments.

International Leisure rallied 8
to 118p following the launch of
its summer holiday brochure; the

company is offering similar price company is offering similar price cuts and guarantees to those of its main rival, Thomson Holidays. Horizon Travel improved 4 to 82p. Elsewhere in the Leisure sector. Campari reacted to 22p on the dismal interim figures, but support at the lower level proported a swift willlevel prompted a swift rally which left the price unchanged on balance at 28p.

Motor and aircraft component manufacturers made progress across a broad front. Lucas led the way opening higher at 200-

across a broad front, Lucas led the way, opening higher at 398p before settling 7 dearer on balance at 395p amid vague talk of a bid from BTR. Buyers displayed interest in Dowty, 5 to the good at 202p, and AE, 3 up at 135p. Aerospace Engineering spurted 7 to 43p reflecting renewed speculative support.

spurted 7 to 43p reflecting renewed speculative support. I Business in Distributors continued to centre on Kenning which improved afresh to a new peak of 135p on persistent talk of a bid before closing only 5 up on the day at 130p.

Leading Properties failed to capitalise on a promising start and drifted back from higher opening levels to close virtually unchanged. Elsewhere, reports of higher house prices gave a boost to estate agents with Bairstow Eves 3 dearer at 98p and Coanells a couple of pence better at 132p. Mann and Coalso added 2, to 194p.

Rupmah advance

Burmah advance

WEDNESDAY'S

Burmah featured the Oil sector and improved strongly in after-hours trading to close 8 firmer at a 1985 high of 318p on rumours of an imminent bid for the company. The leading Oils came under presure early Oils came under pressure early in the session amid worries over spot prices and BP dropped to 540p before steadying to close a net 7 lower at 543p. Shell settled 9 down at 692p. Carless Capel staged a good rally and moved ap 3 to

Day's change +12 +12 +12 +60 -7 +13 +10 +18 +17 +7

gained 16 to 120p in a restricted market. The miscellaneous industrial leaders presented a generally firm appearance, but Hanson Trust drifted off to close 5 cheaper at 202p awaiting further developments in its battle for control of SCM Corporation of the U.S. British Aerospace attracted renewed buying interest on hopes of an aircraft ontract with Switzerland and closed 13 higher at 450p, while the appearance of a sizeable buyer lifted BOC International 9 to 277p. Beecham edged up 5 to 298p, while old takeover favourite Reed International favourite Reed International rose 10 to 690p. Elsewhere, USM-quoted Parkfield rose 11 to 154p following the chairman's optimistic statement at the annual meeting. Revived speculative buying prompted a gain of 6 to 45p in Ashley Industrial and a rise of 12 to 203p in Macarthys Pharmacenticals. Whitecroft found support at 177p, up 19, while Evered rose 12 to 240p. Johnston Group continued to reflect the better-thanexpected interim results and firmed 10 more to 250p, while Abbey, the subject of an unwelcome bid from Freinch Kier, added 3 to 71p awaiting further developments.

acquire the minority interest in the company. Irish exploration issues lost ground.

Polly Peck, the subject of "cail" option business, advanced to 233p following encouraging reports from a seminar hosted by brokers Kitcat and Attken. Elsewhere in Overseas Traders, occasional interest was noted for James Finlay, 5 dearer at 9%, but Harrisons and Crosfields, interim figures scheduled for next Tuesday, gave up 15 to a 19%5 low of 340p.

The closure of the Johannesburg Stock Exchange to celebrate Kruger Day and a virtually static bullion price ensured a sedate performance from the South African gold share market. Price changes in the sector were generally evenly balanced and the Gold Mines index was unaltered at 290.2.

Financials were similarly un-

Financials were similarly unrinanciass were similarly undisturbed and showed few changes but Platinums remained a firm market on the recent favourable comment in the U.S. Press. Gains of 25 were common to Rustenburg, 540p, and impala, 615p while Lydenburg edged up 5 more to 410p.

The latest ungurge by every

5 more to 410p.

The latest upsurge by overnight Sydney and Melbourne
stock markets was again spearheaded by industrial sectors
with the mining sector lagging
well behind. However, sentiment
in London showed an improvement and the leading mines
showed modest gains across the
board. Peko-Wallsend hardened
2 more to 296p following the
company's forecast of earnings
per share of 70 cents in the current year. Rumours that per share of 70 cents in the current year. Rumours that Adelaide Steamship had built up a 6 per cent stake helped Bond Corporation harden afresh to a 1985 best of 120p. Elsewhere the speculative issues showed Pelsart a further penny better at a 1985 high of 23½p.

the company. Irish exploration

RISES AND FALLS

NEW HIGHS (101)

BMT. BR. & G'SEAS GOYT. STLG. ISS. (6)
CORPORATION LOAMS (2)
FOREIGN BONDS (1)
CANADIAN (1)
BANKS (2)
BUILDINGS (14)
CHEMICALS (1)
STORES (10)
ELECTRICALS (3)
ENGINEERING (4)
FOODS (1)
INDUSTRIALS (2)
INDUSTRIALS (2)
INDUSTRIALS (2)
INDUSTRIALS (2)
INDUSTRIALS (1)
FAFER (3)
FROPERTY (10)
SHIPPING (1)
TEXTILES (1) NEW LOWS (36) AMERICANS (2)
Cultinet Software
Imatron
rbach Lockberd
ANADIANS (1)

INDUSTRIALS (3)

NEW HIGHS AND

LOWS FOR 1985

NEW HIGHS (101)

Cons. Tern Int's TRUSTS (1)
Floming Amer. 7oc Cnv. Uns. Ln. 1999
Cnv. Uns. Ln. 1999
Oll.S (7)
Aberd'n Am. Pec.
Bula Resources
Edinburgh Oil Gas
Firstland Oil Gas
Firstland Oil Gas
Firstland Oil Gas
Firstland Oil Case (1)
Harrisons Creenes (1)
PLANTATIONS (1) Gold Fields S.A. Northgate **OPTIONS** 

Cons. Tern Invs.

64pm ... 1012 ... 128 ... 29pm +8 248 ... 12pm ... 12pm ... 12pm ... 66 +1

Last Last For Deal- Declara-Settle ings ings tion ment
Oct 7 Oct 18 Jan 9 Jan 2
Oct 21 Nov 1 Jan 23 Feb 1
Nov 4 Nov 15 Feb 6 Feb 1 For rate indications see end of

Unit Trust Service:

Demand for options improved considerably with calls transacted in Westland, Mellerway International, Exco International, STC, Kenning Motor, Sun Oil Royalties, Oscola, Brunswick, Great Western Resources, Lanca Courtaulds, Pally

sources, Lanca Courtaulds, Pelly Pesk, Oil Search, Barrall Pesk, Oil Search, Bartan Developments, Parker Knoll, Staffordshire Potteries, Barkar and Dobson, Meyer International, J. Maunders, Camparl, Impa, Top Value, Distillers and Carri Milling Industries. A put. was done in Oil Search, but m doubles were reported.

#### LONDON TRADED OPTIONS Feb. May Nov. Feb. 50 65 8 35 12 13 60 70 80 90 100 86 67 45 22 70 | 80 40 | 62 20 | 28 13 | -I.C.I. (\*642) Opt'c' 56 37 85 98 68 65 43 11 80 01g 01g 01g 01g 18 | 32 17 -25 10 4 150 80 44 60 35 22 10 30 16 26 4 -2 2 2 37 Nov. Feb. May 37 37 37 16 8 210 165 130 90 33 -21 -| 260 | 17 | 29 | 280 | 7 | 18 | 300 | 213 | 9 | 380 | 1 | 4 28 18 7 38 29 17 57 70 - -35 45 16 -28 145 115 88 68 42 103 103 78 55 30 240 260 280 300 58 43 26 18 65 45 25 11<sub>4</sub> 2 5 50 55 16 -58 -40 25 55 38 25 16 (\*205) 160 (\*205) 180 200 220 Dec. 184 83 47 22 FT-SE Index (\*1814) 73 80 50 57 25 53 8 18 3 9 48 35 23 -7 19 27 40 October 10 Total Contracts 7,378 Calls 5,304 Puts 2,068

These indices are the Joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS					Thurs Oct 10 1985					Wed Oct 9	Taxes Oct 8	Mfan Oct 7	Year ago (approx.)	
Fi	Figures in parenthines show number of stocks per section			inde No.		Est. Earein Yield* e (Max	[]	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	nd adj. 1985 to date	Index No.	Index No.	index Ho.	Index No.
ī	CAPITAL GOOD							4.29	11.49	12.55			517.A7	527.03
2	Building Material	s (22)		.   562.° .   883.				4.74 4.76	10,68 10,95	14.25 23.79			553.62 857.90	463.53 673.22
3 4	Contracting, Cons Electricals (13)							5.04	11.92	37.33		1471.02		1564.79
3	Electronics (39).			1261				3.57	10.96			1229.01		
6	Mechanical Engli	eering (é	1)	310				4.61	11.23	7.93		302.55		263.23
8	Metals and Metal			209				7.61	9,93	5.75				157.63
-9	Motors (16) Other Industrial R			.   180.   981.		12.8 7.6		4.71 3.68	9.46 15.71	4.90 16.54				133.16 709.03
20	CONSUMER CR					9.0		3.79	13.81	14.17	695.25			544.03
22	Brewers and Dist	illers (23)	) <u></u>	. 738		9.3	3	3.91	13.62	13.91				508.03
25	Food Manufactur	ing (22) .		. 500.	31 +1.2			4.89	10.92	13.64				434.50
26	Food Retailing (1 Health and House	4) ,		. (1693. 1869	67 +1.6 58 +0.7			2.53 2.83	22.69 17.93		1630.24		1643.02 1849.31	1284.31 925.04
27 29	Leisure (23)				39 +0.4			4.85	15,71	22.97				583.97
32	Newspapers, Pub	Alshine (1	2)	. 1869.	66 +0.5	8.2	3	4.52	15.69			1259.95	1960.32	1384.41
33	Packaging and Pa	per (13).		. 360.	72 +1.2			4.26	12.00 19.05	8.05 10.19				256.67 475.83
34	Stores (42)							2.98 5.03	8,72	8.08			727.91 341.66	285.25
35 36	Textiles (16) Tobacces (3)							6.02	آڏه ا	30.77				731.58
41	OTHER GROUPS	(99)				92	9	4.16	13.93	15.15				485.60
42	Chemicals (19)			.   662.		14.8		5.74	8.90	25.73				649.45
44 (	Office Equipment	(4)		. (204)		7.8 7.4		4.27 4.20	15.24 16.66	5.79 34.20	203.35 1269.18			139.36 853.33
45 46	Shipping and Tran							3.86	16.04	15.26			844.55	681.45
48	Telephone Netwo							3.65	15.95	14.38				9.0
49	INDUSTRIAL GI				69 +0.7			4.01	13.20	14.22	653.97	652,47	655.84	535.64
51	Oils (18)	минин		. 1248.				7.62	7.49			1156.88		1103.33
59	500 SHARE IND					_	<u>5  </u>	4.A7	12.02	17.88			697.67	
61	FINANCIAL GR	DUP (115	š)(š	488.			. 1	4.95		14.44			,	401.63 400.51
62	Banks (6) Insurance (Life) (			_ 484. 752.			<b>~</b>	6.12 4.49	7.72	20.18 21.55				522.91
65 66	Insurance (Compo	osite) (7)					1	551	l	9.88	359.28	354.53	355.86	293.93
67	Insurance (Broke	rs) (7)		.   1107.			8	3.91	17.38		1109.29			863.89
68	Merchant Banks	u		. 249. 691.			₌│	4.52 3.49	24.58	5.80 11.72			252.18 679.39	290.18 617.80
69	Property (51)	ATT		285.				5.78	11.72	10.37	285.18		285.79	252.07
岩	70 Other Financial (24)					┭	3.58	_	11.69	588.14	<del></del>	588.69	538,78	
ái l	Mining Finance C	3)			82 +O.2			6.14	8.79	8.37	252.25			283.24
91				_		11	7.96	8.68	24.01	567.66			666.78	
99	ALL-SHARE INC	EX (739	<u>)</u>	_ [ 638.	47 +0.4		_	455	<u>-</u> -	16.67	635.79	633.53	635.65	537.15
				Inde				Day's	Oct.	0ct	0ct 7	Oct.	Oct.	Year
_				No	. Chan	ge Hig	٠,	Low	1200 7	11011		1313.0	1206 1	7141 2
ا	FT-SE 100 SHAF	E INDE	K	1314	11 +84	12544		مبدد		. 200	1	123330	. 2003	
	Fi	REST	EST			AVERAGE GROSS REDEMPTION YIELDS				Timers Oct 10	Wed Oct 9	(approx.) ago		
_	_	<u> </u>	1	WL J	ایریا	آ ہے یہ			ch Gover		1	T		
	PRICE	Thurs Oct	Day's	Wed   Oct	nd adj.	로 레. 1985	_	Low	_	5 years		9.88	9.81	11.12
	indices	10	change	9	mes !	in date		Coupe		5 years		10.06	10.07	10.60
			%		<del>                                     </del>		3			5 years 5 years		10.07	10.08 10.66	10.17 11.66
Ì	British Government	1	ll		ł i	1		Mediu	_	5 years 5 years		10.39	10.40	11.00
1	5 years	119.55	+0.03	119.51	—	9.13	ė	Coupo		5 years		10.04	10.06	19.36
2	5-15 years	134.01	+0.06	133.94	<b>-</b>	10.70	7			5 years		10.75	10.74	11.71
_	Over 15 years	140.20		139.95	<b>_</b>	9.92		Coupo		5 years		20.52	10.54	11.16
- 1	-			153.61	_	8.90	9			5 years		10.17	19.20	10.45
- 1	irredeemables	153.61			_	10.12			<u>स्मार्किक्षः</u>		<del></del> 1	9.71	9.71	10.09
5	All stocks	131.67	+0.07	131.58		115.16		Debs (		5 years		11.06	11.19	12.14
6	Debentures & Louis	114.20	+0.14	114.04	1 1	8.47	12		i	15 years 25 years		11.10	11.13 11.67	11.97 11.81
-	Action of the second -	<del>-</del>	<del>                                     </del>		<del>                                     </del>		<u> 13</u>			en years	4	11.86	11.87	13.07
7	Preference	82.57		82.54		5.44		Prefe		NAPL		1000	144.	
				BRITISI	COVER	IMENT I	_	_				952 1	gr4	<del></del> ]
8	All stócks	111.66	-0.17	11189	<b>                                     </b>	246	15 16	inflack	an ratê	5% 10%		356 338	354 337	329 321
			<u>. '</u>		<u>'</u>									hudada ia

**EUROPEAN OPTIONS EXCHANGE** Yoi. | Last | 12 6 3.80 7 59 — — \$ 326,10 June
18 \ 7.50 52 10 20 34 20 1 27 12 10 Apr.

5 23.50 Fl. 486
8 9.30 Fl. 95
118 3.80 B Fl. 253.60
7 7.50 B Fl. 253.60
26 8.20 B Fl. 253.60
11 4.40 Fl. 213.80
11 9.20 Fl. 33.40
11 9.20 Fl. 33.30
11 9.20 Fl. 32.80
10 7.50 B Fl. 181.50
10 Fl. 52.80
10 Fl. 52.80 Oct. 19 14
45 8.50
256 7.50
256 7.50
256 3.50
186 3
25 5.50
516 11.50
487 5.50
218 8.90
101 1.46
25 5.70
15 12.30
32 4.80
181 7.50
8 4.81
118 7.50
8 1.31
2.80
174 1.50
282 7.70
15 5.50
282 1.78
7 5
35 390
172 3.50
283 5.10
288 6.50
293 3.10
296 2.60
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61
5.50
7 10.50 8 GIST P
HEIN C
HEIN P
HOOG P
KLM C
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NEDL P
NATN P Fi.210 Fi.210 Fi.210 Fi.160 Fi.50 Fi.60 Fi.60 Fi.60 Fi.60 Fi.60 Fi.75 Fi.75 Fr 6530 PETR P
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RD P
RD P
RD P
ROBE P
UNIL P 24 49 121 141 111 277 FI. 45.60 FI.157.40 4,80 2,20 10,40 8 3,90 7,50

# WORLD STOCK MARKETS

ċ	AUSTRIA	GERMANY				
	Cot. 10 Price + or	Oct. 10 Price + or	NORWAY Price + or Kroner	AUSTRALIA (continued) Price   + or Oct. 18   Aust. 5   -	JAPAN (continued) Price + or Oot. 9 Yen -	CANADA
•	Creditanstatt	AEG-Telef 155 -3 Alitanz Vers 1,640 -20 RASF 258xr -5,3 Bayer 227,2 -4,8 Bayer-Hypo 450 -10 Bayer-Verein 450 -10 Bayer-Verein 565 -7 BHF-Bank 286,5 -4,5 Brown Bower 286,5 -3 Commersbank 289,5 -9 Cont'l, Gummi 156,5 -1,5 Daimier-Bank 979 -9,5 Degussa 456 -1,5 Deutsche Bank 647 -15 Deutsche Bank 516 -2,5 Gill 198	Bergens Bank	Gen. Prop. Trust. 2.1 +0.04 Hardie (James) 5.63 -0.9 Hartogen Energy 15.6 +0.1 ICI Aust. 2.2 Jimberiana F.P. 0.29 +0.35 Kia Ora Gold. 0.14 +0.31 MiM. 2.6 +0.4 Myre Riporium. 3.7 Hart. Bank 8.8 +0.3 Worth Shr Hill. 2.5 Oakbridge 1.4 Panoontinental 1.98 +0.06 Pionear Conc. 2.58 +0.1	MHI	Sales Stack High Law Class Chang Stack
	EBES   2,825	KHD	Boo Popular   350	Repco	Nothera	2300 Also   1   510   51   510   51   510   51   51
*	Oct. 9	Stemens	Esselés	Vergo	Taisel Corp 400	250 Car Fr V 517g 117g 117g 117g 520 Carp Fib. 522 315g 515g 515g 515g 515g 515g 515g 515g
	Oct. 9 Price + Frs. or - F	Snia BPD   5,835 - 38     Toro Assic   20,000 + 360     do Pref   16,120 - 330     NETHERLANDS   Price   + er     ACF Holding   229 + 5     AEGON   98   -0.8     Ahold   255.6 + 1.1     ARZO   118.8   -0.5     AMEV   286.9 - 0.5	Elektrowatt 3.390 -20 Fischer(Geo.) 1,030 +3 Hoff-Roche Pribs 96,500 +350 Hoff-Roche 1/10, 9,875 +35 Jacobe Suchard. 7,500 +125 Jeimoli 3,275 +25 Landis & Gyr 3,130 +30 Hestle 7,485 -50 Oer-Buehrie 1,500 +30 Pirelli 375: +3 Sandoz (Br) 8,250 +40 Sandoz (Br) 8,000 +60 Survellianca A 5,800 +60 Swissair 1,495 +20 Swiss Reinace 11,495 +50 Swiss Reinace 11,495 +50 Swiss Reinace 11,495 +50	Yen	SINGAPORE	1820 Cart OK   \$1314, 1519, 1516, -19   1675   bosco   \$1334, 1334, 1334, 134, 134, 134, 134, 13
2451	Eaux (Cie Gen)   572 : -3 Eir-Aquitane   184   +2 Essilor   1,885   +5 Gen.Occidentals   654   +16 Lorest   2,912   +7 Logrand   2,912   +7 Logrand   3,078   +7 Logrand   3,078   -3,5 Matra S.A.   1,645   -3,5 Michi (Cie)   2,960   +10 Moullacx   1,836   +31 Moullacx   56,8   +0,1	Catland Hidgs	AUSTRALIA Oct. 10 Price + cr Aust 3.  AUSTRALIA Oct. 10 Price + cr Aust 3.  ANZ Group. 5.2 +0.06 Alliance Oil Dev. 1.05 Ampol Pet. 25 Ampol Pet. 1.04 +0.92 Aust. Cons. Ind. 2.88 +0.05 Aust. Charantace 2.85 +0.01 Aust. Nat. Inds 2.88 +0.05 APM 2.85 +0.01 Aust. Nat. Inds 2.88 +0.05 Bell Res 10.7 +0.1 Bell Res 10.7 +0.1 Bell Res 2.45 +0.5	Fuji Film	Singapore Press 5 -0.12 Straits Tridg 5.19x0 -0.12 Tat Lee Bk 2.6 UOB 5.52  SOUTH AFRICA Oct. 9 Price   + or Rand - Abercom 1.53 -0.07 AEACI 7.80 Anglo Am Coal 56 Anglo Am Cod 56 Anglo Am Gold 180.5 +0.5 BarclayeBank 175.76 BarclayeBank 175.76 Barlow Rand 175.76 -0.25 CMA Ga lo 2.550.25 CMA Ga lo 2.55	Indicatrials   1,327.82   1,328.72   1,328.74   1,328.74   1,338.74   1,338.74   1,338.11   1359.54   184.80   1358.54   184.80   1358.54   184.80   1358.54   184.80   1358.54   184.80   1358.54   184.80   1358.54   184.80   1358.54   184.80   1358.54   184.80   1358.54   184.80   1358.54   184.80   1358.54   184.80   1358.54   184.80   1358.54   184.80   1358.54   184.80   1358.54   184.80   1358.54
	Redouts 1,485 + 30 Roused Uch Y - 1,480 - 19 Beffring 547 - 19 Beffring 547 - 19 Beffring 547 - 19 Thomson CSF 518 + 1 Valeo 829 + 5,9  NOTES—Prices on this p individual exchanges and are is suspended, ad Ex dividend, at an Ex all.	Rolinoo	Bougal mylle	Comateu	12.40 + 0.15	Bet   Det   Oct   Oct   State   Completion   10   9   8   7   4   3   High   Low   High   High
) خ	OVER-THE-		Tasdaq national market, 2.	30pm prices ss. High (sw. last Chog.   Stock	Sales High Low East Clay	Det   Det   Det   1985   Det
	Payotex 32 174 175 175 PeakHC 348 1474 1878 1478	- 12   Richells	## Company	28 274 274 4 4 1 US Gag 139 129 27 27 4 USDepn 129 28 22 22 22 24 1 USDepn 129 29 29 29 29 29 29 29 29 29 29 29 29 2	172 39 3 3 27 - 19 16 27 28 27 + 21 2 27 + 21 2 27 + 21 2 27 + 21 2 27 + 21 2 27 + 21 2 2 27 + 21 2 2 27 + 21 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	NEW YORK ACTIVE STOCKS   Stocks Closing on traded any price day are stocks   Stocks Closing on traded   Stocks Closing on price day   Stocks Closing on traded   Stocks Closing on price day   Stocks Closing on traded   Stocks Closing on price day   Stocks Closing on price Closed   Stocks Closing Closed Closing Closed Closing Closed C
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...in Düsseldorf

Nikko Hotel, Immermannstraße Ramada Renaiss., Nordl. Zubringer Interconti, Karl-Arnold-Platz Steigenberger, Corneliusstraße 1

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Continued on Page 41

# AMEX COMPOSITE PRICES

# FINANCIAL TIMES WORLD STOCK MARKETS

**WALL STREET** 

# Muffled response to reports

THE FIRST reports on third-quarter trading from major U.S. corporations reached Wall Street yesterday, but their effects were muffled by the continuing delay in the Senate for approval of the new debt ceiling, writes Terry Byland in New York.

The bond market remained flat, and stocks traded cautiously as investors braced themselves for the quarterly re-ports from the industrial sector, which will decide the short-term prospects for the stock market.

Apart from special situations, the stock market lacked leadership. IBM at \$124% edged up \$% ahead of today's statement, which will be scanned for indications on prospects for the fourth

quarter and for next year.

Semiconductor issues fell sharply on adverse brokerage comment, and consumer stocks responded nervously to disappointing September sales figures at the department stores. Banks, however, steadied after quarterly reports from Chemical New York and several other major names.

At 3pm the Dow Jones industrial aver-

age was up 0.45 at 1,327.17. Turnover was reduced by the relegation to the sidelines of the takeover issues. Ford Motor featured in industrials after another increased quarterly divi-dend and news that it had also agreed to

1200

1000

800

Frankfurt Commerzbank

Paris CAC General

Dec 31, 1982 - 100

1982

Oct 10 Previous Year ago

154.08

182.52

1,308.1

635.79

696.63

290.2

closed 12,857.2 10,668.7

530.0

100.03

126.84 115.42

232.23 169.01

1,596.5 1,066.5

408.94 210.73

177.6

138.7

254.65

858.4

373.6

Year soo

180.4

\$326.50

\$326.55

\$327.34

\$327.00

116.21 107.39

97.3

116.2

1,589.13 1,587.99 983.13

211.2 185.5

376.01

764.87

1,362.63 1,367.74 1,451.38

484.7

Prev

223.1

Oct 10 \$326.00

\$325.95

\$325.82

\$325.75

closed 1,033.3

10.20

1,327.17\* 1,326.72 1,177.23

642.67 642.56

STOCK MARKET (NDICES

153.78\*

638.47

700.06

290.2

534.5

1.832.3\*

126.53\*

116.3

373.41

116.85

Oct 9

224.2

GOLD (per ounce)

99.60

2,505.70 2,500.33

538.84°

S&P Composite

LONDON

FT Ord

FT-SE 100

FT-A 500

TOKYO

FT-A All-share

FT Gold mines

FT-A Long gitt

Nikkel-Dow

Tokyo SE

AUSTRALIA

All Ord.

AUSTRIA

BELOIUM

CANADA

Compos

**Portfolio** 

SE

FRANCE

CAC Ger

Ind. Tends

FAZ-Aktien

HONG KONG

Hang Seng

Banca Comm

NETHERLANDS

ANP-CBS Gen

ANP-CBS Ind

HORWAY

Oslo SE

SPAIN

SWEDEN

SINGAPORE

SQUTH AFRIÇA

Madrid SE

SWITZERLAND

Capital Int'I

Paris (fixing)

New York (Dec)

WEST GERMANY

Credit Aldien

Belgien SE

Toronto Metals & Minis

1983

162.11

1,136.5

537.15

583.18

556.2

445.2

56.23

10.38

buy the New Holland farm equipment divisions of Sperry.

Ford bucked a dull trend in motor

stocks to add \$1/2 to \$45. Analysts seemed undecided whether Sperry is a stronger or weaker takeover

prospect without its New Holland divisions. An early gain in the stock was quickly trimmed, leaving it \$% up at \$48%.

A sharp reduction in earnings estimates by a First Boston analyst brought widespread falls in semiconductor stocks. The sector started off badly when Intel plunged \$1% to \$21% after warning that losses were increasing.

Motorola, due to report profits next week, slumped \$1% to \$30%, with selling again increasing sharply. National Semiconductor dipped \$\% to 10\%, and Texas Instruments fell \$% to \$87%.

The main-frame computer makers lay dormant. Burroughs was down \$\% at \$52%, and Honeywell was up \$% at \$60%. General Motors eased \$1/4 to \$681/4, and Chrysler remained unchanged at \$37.

The Dow transportation average rallied, with the help of firmness in some airline stocks. United added \$\% to \$49\%, and American at \$38\%, was \$\% better.

Chemical Bank added \$\% to \$38\% on

disclosing a sharp gain in third-quarter earnings. Also reporting progress were Irving Bank, up \$\% at \$36\%, Bank of New York, down \$4 at \$41%, NCNB, holding company for North Carolina National Bank, up \$\% at \$36\%, Wachovia, up \$\% at \$31\%, and Barnett Banks of Florida, \$1/4 better at \$351/4.

Sales reports from the retail industry left Sears down \$1/2 at \$32, J. C. Penney down \$% at \$46% but Federated Department stores \$% higher at \$56%.

Announcing offers to buy its cable TV operations, Westinghouse gained \$% to \$37%, while Time, a possible buyer, jumped \$1% to \$56%. Magazine stocks

CURRENCIES

214.7 8.065

2.1745

2.978

1,784.0

53.65

1.3655

INTEREST RATES

U.S BONDS

Price

1002%2

100%2

Price 100%

81%

83%

FRIANCIAL FUTURES

KRY Bills (IMM)

el GER

COMMODITIES

Latest High

75-01 75-03 74-18 74-24

92.76 92.77 92.74 92.77

91.92 92.94 91.92 91.96

91,62 91.64 91.60 91.68

113-12 113-16 113-09 113-13

Oct 10 440.45p

£1,604.50 £1,607.00

£976.00

\$27.75

Prev 443.10p

£981.50

Oct 10°

Yield

8.96

10.35

8.65

11.00

U.S. DOLLAR

Oct 10 Previous

2.658 215.4 8.1 2.185

1,792.0

53.75

1.3692

3-month U.S.S.

U.S. Fed Funds

1992 1995

10% 2015

10% June 1990

3% July 1990

8% May 2000

Abbot Lab

11.80 Feb 2013

12% Dec 2012

Source: Salaman Bras

8% 32nds of 100%

\$1m points of 100%

\$1m points of 100%

\$1m points of 100%

Silver (spot fixing)

Oil (spot Arabian Light)

Copper (cash)

Coffee (Nov)

£50,000 32nds of 100%

U.S. Tree

LONDON

Dec

U.S. Treesury Bonds (CBT)

Diamond Shamrock 10% May 1993

Federated Dect Stores 10% May 2013

10%

6-month U.S.\$

1050

1000

Oct 10 Previous

2,528.5 2,525.25

304.0

11.415

3.0775

4.215

75.95

1.9315

11% 4½ 4½

10%

8% 8% 7.90

Price Yield

100% 8.96

100% 10.35 81% 8.65

11.00

10.36 100<sup>27</sup>/<sub>62</sub> 10.36 10.63 99<sup>27</sup>/<sub>52</sub> 10.63

304.0 11.43 3.08

4.2275

75.85

1,9319

11% 4%s 41%s

101/2

7.90° 7.18°

KEY MARKET MONITORS

have been weakened by reports of a downturn in advertising.

American Hospital Supply held steady at \$46% after confirming the weaker trend in health-care profits disclosed last week by Hospital Corporation of America. It added \$1 to \$30.

Stock in SCM gained \$\% to \$72\% asthe board authorised a \$74 repurchase of 8.2m shares in the latest twist in the bid struggle with Hanson Trust of the UK.

Coca-Cola topped the active list after a single block of Im shares was transacted, leaving the stock \$\%\) up at \$69\%. There was heavy trade again in Beatrice Foods, with speculators baling out in the absence of a bid, to leave the stock \$2% down at \$41%.

Other bid favourites to weaken included Quaker Oats, down \$1% at \$57%, and Pillsbury, down \$1% at \$60%.

With the Treasury Department confirming that cash balances were exhausted on Tuesday night and the debt ceiling increase still progressing slowly in the Senate, credit markets showed little movement. As expected, the Fed made further \$1.5bn customer repurchases when federal funds touched 8%

Bonds barely stirred from overnight

### **TOKYO**

# Lingering cause for confidence

THERE ARE sound prospects for an imminent resurgence of enthusiasm for large-capital stocks in Tokyo following the yen's swift advance, writes Shigeo Nishiwaki of Jiji Press.

The rush for large-capital stocks, such as Nippon Steel and Mitsubishi Heavy

Industries, which began on September 26, ran out of steam on October 4 when investor fear that the market had become over-heated took grip. This coincided with a levelling-off in the yen's climb against the U.S. dollar.

Many securities houses believe that institutional buying in the sector will resume when there is a move towards lower domestic interest rates which is expected as the yen becomes more established at its higher level against the dol-

This belief is based on evidence of difficulty being experienced by institutions in finding borrowers at the present relatively high interest rates and the growth of surplus funds in the hands of industrial corporations.

The appetite for large-capital stocks was further stimulated by the "Group of Five" finance ministers' agreement reached on September 22 in New York for intervention to bring down the dol-

Trading volume hit a high of 1,350.5m shares on September 22, second only to the record high of 1,385m reached on

Tokyo and South Africa were closed

because of national holidays.

April 8 1981. Among the large-capital issues actively traded were Nippon Steel, Mitsubishi Heavy Industries and Tokyo Electric Power

Nippon Steel topped the list of active stocks with 209m shares changing hands, of which institutional buyers accounted for 38 per cent and the dealing divisions of securities firms for 30 per

During the week-long advance Mit-subishi Heavy Industries and Tokyo Electric Power reached the highest levels since their listing on the stock ex-change - Nippon Steel rose by as much as 47 per cent.

Many attribute the fever to short-term profit-taking. The yield on the barometer 6.8 per cent government bonds due in December 1994, for instance, on which institutional buyers had focused, hit a low of 5.435 per cent on October 2, fail-

ing even below the short-term prime lending rate of 5.5 per cent. They argue that institutions, daunted by the steep fall in bond yields, diverted their funds to big-capital stocks in quest of safer investments.

There is little scope at present for further price gains in big-capital shares. The price-earnings multiples, calculated on the basis of projected earnings per share at the end of next March, have already risen to 35 for Nippon Steel, 30 for Tokyo Electric Power and 20 for Mitsubishi Heavy Industries.

In view of the large surplus funds held by institutional investors, securities firms believe they will have to resume investment in large-capital issues to take fast profits.

## **SINGAPORE**

PROFIT-TAKING in active trading left Singapore lower after Wednesday's fillip from bargain-hunters and speculators. The Straits Times industrial index

closed 3.56 down at 761.31 on increased turnover of 21m compared with the previous session's 18.4m. Among actives Arab Malaysia Devel-

opment closed unchanged at S\$1.07, and Pahang Investment lost 2.5 cents to 53 cents. Industrials closed mostly lower. Singapore Press shed 10 cents to S\$6.00, North Borneo Timber was 13 cents down at S\$1.80 and TDM lost 16 cents to S\$4.40.

Banks generally firmed, with Malay Banking up 15 cents at S\$5.80, DBS adding 10 cents to S\$5.45 and OCBC 5 cents higher at S\$8.20.

Hotels and properties eased while commodities were mixed.

# Frankfurt focus falls on bonds

TECHNICAL factors combined in Frankfurt yesterday to generate a bout of strong selling which developed pro-gressively during the session before a late round of demand imposed a brake on the slide.

The scene for the selling was set on Wednesday, and investors were quick to move in and continue profit-taking. However, another poor showing in the bond market and quarterly settlement for stock options served to heighten the decline into the expected consolidation

The Commerzbank index slipped fur-ther away from the record reached earlier this week with a 38.1 fall to 1,558.4. This measure slightly exaggerates the market's decline as it is taken at midday prior to the late buying.

Eyes were turned heavily in the direction of the bond market for most of the session as prices slipped by up to DM 1 for the third consecutive day. Most of the downward pressure came for foreign operators who continued to withdraw

support.
The Bundesbank purchased a relatively large DM 308.3m worth of domestic paper, compared with DM 79.7m on Wednesday.

Foreign investors, who have been behind the equity market's recent strength, remained on the sidelines but returned to lead the late buying, giving confidence in the market's immediate

Leading the electricals, Siemens shed DM 11 to DM 596 while AEG dropped DM 3 to DM 165 although the stock benefited from late support and climbed back from a low of DM 158.

Banks received little of this late demand, and most closed around their lowest levels. Deutsche fell DM 15 to DM 647 while Commerzbank was off DM 8.70 to DM 229.80 and Dresdner DM 8.70 to DM 316. Schering moved against the trend among chemical stocks and ended DM 4

higher at DM 535 while Hoechst fell the same amount to DM 228 as BASF slipped DM 5.30 to DM 238 and Bayer DM 4.80 to DM 227.20. Automotive stocks were also under pressure as Daimler fell DM 9.50 to DM

979, BMW 4.50 to DM 480.50 and VW DM Zurich remained on the incline with

mild buying sufficient to push the Swiss Bank index to another record as it added 2.3 to 418.5. The outlook for Swiss corporate earn-

ings remains the principal bullish factor although the calm in the foreign exchange markets has also given investors confidence to take positions.

Banks were again well supported with Credit Suisse up SwFr 35 to SwFr 2,955 and Swiss Bank SwFr 6 higher at

Among financial and holding compa-nies, Adia advanced SwFr 110 to SwFr 4,350 and Jacobs Suchard SwFr 125 to SwFr 7,500. The volatile Usego fell SwFr 20 to SwFr 550.

Paris shares continued to show a slight upward momentum, but price movements were limited by a lack of li-quidity caused by the flow of new issues. Amsterdam closed with rises among major industrial companies sufficient to give the ANP-CBS index a slight for-

ward nudge to 211.2. Among international issues, Royal Dutch fell Fl 2.30 to Fl 187.90 on unfa-



vourable reports on the company's earnings prospects.

There was little price movement among leading issues in Brussels as the market remained clouded by political considerations. Buying among financial holding companies spilled over into other sectors, with Petrofina leading oil stocks higher as it rose BFr 60 to BFr

In the chemical sector UCB gained BFr 20 to BFr 5,120, and Tessenderlo added BFr 25 to BFr 3,515.

Milan shares ended lower for the second consecutive day as traders continued profit-taking and squared specula-tive positions. Fiat was under most attention as it slid a further L54 to L4,620.

Madrid closed down in dull trading while Stockholm continued to lack direction, and most leading issues registered only minor moves.

### CANADA

MOST major stock groups traded lower in Toronto following Wall Street's early downward lead. Banks were also affected by the news

that Mercantile Bank of Canada - down C\$1¼ to C\$9¼ - had agreed to an audit in the wake of flagging public confidence in Canada's small banks. Continental shed CS% to CS9.00 and British Columbia traded 5 cents down to C\$4.60. In Montreal industrials, utilities and

banks traded mostly unchanged.

#### LONDON

# **Institutions** breathe new life

INSTITUTIONAL demand brought life back to London yesterday, and the FT Ordinary index closed 10.8 up at 1,017.8

The renewed investor confidence was largely the result of the Chancellor of the Exchequer's pledge to cut taxation and his confident comments about the

UK economy. Blue-chip industrials were popular, particularly GKN, which added 14p to a new high for the year of 249p. BOC rose 9p to 277p, and British Aerospace was

13p up at 450p.

Hanson Trust lost 5p to 202p on continuing concern about the outcome of its bid for SCM of the U.S..

Owen Owen added 25p to 455p on a hid offer by Clayform Properties, up 12p

Oils were generally subdued as price worries resurfaced. BP closed 7p lower at 543p, and Shell Transport shed 16p to

The Chancellor's forecast of lower inflation helped sentiment in conventional gilts, but index-linked issues eased by up to ¼ in thin trading.

Chief price changes, Page 39; Details, Page 38; Share information service, Pages 36-37

#### **AUSTRALIA**

RESOURCES again led the way forward in Sydney which closed at its fifth successive all-time high with the All Ordinaries index 11.6 up at 1,035.2.

National turnover surged to 97.3m compared with Wednesday's 60.3m, and gains outnumbered falls 301 to 170.

BHP was 32 cents higher at A\$8.82 after Adsteam announced its 13.5 per cent joint holding with Bell Resources in BHP. Bell Resources and Adsteam both

closed 30 cents up at A\$10.70. Elsewhere, News Corp was 30 cents up at A\$8.00, James Hardie lost 7 cents, to A\$3.63, ANZ added 6 cents to A\$5.20 and Westpac firmed 14 cents to A\$5.26.

### **HONG KONG**

EARLY gains were trimmed in Hong Kong, leaving the Hang Seng index 1.14 higher at 1,589.13 after peaking 13 up. Financials scored better than most sectors on rumours that China Interna-

tional Trust and Investment Corp were planning to take a 25 per cent stake in Ka Wah Bank, which rose 14 cents to 84

Hang Seng Bank was up 25 cents to HK\$41.75, and Hongkong & Shanghai Banking Corp added 5 cents to HK\$7.05.



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